

A bill for an act

relating to appropriations; appropriating money for agriculture, the Board of Animal Health, Rural Finance Authority, veterans, and the military; changing certain requirements and programs; establishing a program; eliminating a sunset; requiring certain studies and reports; amending Minnesota Statutes 2008, sections 3.737, subdivision 1; 3.7371, subdivision 3; 13.643, by adding a subdivision; 16C.16, by adding a subdivision; 16C.19; 16C.20; 17.03, subdivision 12; 17.114, subdivision 3; 17.115, subdivision 2; 17.118, subdivisions 2, 4; 18.75; 18.76; 18.77, subdivisions 1, 3, 5, by adding subdivisions; 18.78, subdivision 1, by adding a subdivision; 18.79; 18.80, subdivision 1; 18.81, subdivision 3, by adding subdivisions; 18.82, subdivisions 1, 3; 18.83; 18.84, subdivisions 1, 2, 3; 18.86; 18.87; 18.88; 18B.01, subdivision 8, by adding subdivisions; 18B.065, subdivisions 1, 2, 2a, 3, 7, by adding subdivisions; 18B.26, subdivisions 1, 3; 18B.31, subdivisions 3, 4; 18B.37, subdivision 1; 18C.415, subdivision 3; 18C.421; 18C.425, subdivisions 4, 6; 18E.03, subdivisions 2, 4; 18E.06; 18H.02, subdivision 12a, by adding subdivisions; 18H.07, subdivisions 2, 3; 18H.09; 18H.10; 28A.085, subdivision 1; 28A.21, subdivision 5; 31.94; 32.394, subdivision 8; 41A.09, subdivision 3a; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 43A.11, subdivision 7; 43A.23, subdivision 1; 97A.045, subdivision 1; 161.321; 171.06, subdivision 3; 171.07, by adding a subdivision; 171.12, by adding a subdivision; 190.19, subdivision 2a; 197.455, subdivision 1; 197.46; 197.791, subdivision 6; 198.003, by adding subdivisions; 239.791, subdivisions 1, 1a; 336.9-601; 343.11; 473.142; 523.131; 523.16; 523.20; 523.23, subdivisions 2, 3; 550.365, subdivision 2; 559.209, subdivision 2; 582.039, subdivision 2; 583.215; 626.8517; Laws 2008, chapter 274, section 5; Laws 2008, chapter 297, article 2, section 26, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 18; 18B; 31; 41A; 168; 190; 192; 523; repealing Minnesota Statutes 2008, sections 17.49, subdivision 3; 18.81, subdivision 1; 18G.12, subdivision 5; 38.02, subdivisions 3, 4; 41.51; 41.52; 41.53; 41.55; 41.56; 41.57; 41.58, subdivisions 1, 2; 41.59, subdivision 1; 41.60; 41.61, subdivision 1; 41.62; 41.63; 41.65; Minnesota Rules, part 1505.0820.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1
AGRICULTURE

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		<u>2010</u>		<u>2011</u>		<u>Total</u>
<u>General</u>	\$	<u>45,139,000</u>	\$	<u>43,949,000</u>	\$	<u>89,088,000</u>
<u>Agricultural</u>	\$	<u>800,000</u>	\$	<u>800,000</u>	\$	<u>1,600,000</u>
<u>Remediation</u>	\$	<u>388,000</u>	\$	<u>388,000</u>	\$	<u>776,000</u>
<u>Total</u>	\$	<u>46,327,000</u>	\$	<u>45,137,000</u>	\$	<u>91,464,000</u>

Sec. 2. AGRICULTURE APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

APPROPRIATIONS
Available for the Year
Ending June 30
2010 2011

Sec. 3. DEPARTMENT OF AGRICULTURE

Subdivision 1. Total Appropriation \$ 38,205,000 \$ 37,015,000

	<u>Appropriations by Fund</u>		
	<u>2010</u>	<u>2011</u>	
<u>General</u>	<u>37,017,000</u>	<u>35,827,000</u>	
<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>	
<u>Agricultural</u>	<u>800,000</u>	<u>800,000</u>	

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Protection Services 13,078,000 13,028,000

3.1	<u>Appropriations by Fund</u>		
3.2	<u>General</u>	<u>12,690,000</u>	<u>12,640,000</u>
3.3	<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>
3.4	<u>\$388,000 the first year and \$388,000 the</u>		
3.5	<u>second year are from the remediation fund</u>		
3.6	<u>for administrative funding for the voluntary</u>		
3.7	<u>cleanup program.</u>		
3.8	<u>\$75,000 the first year and \$75,000 the second</u>		
3.9	<u>year are for compensation for destroyed or</u>		
3.10	<u>crippled animals under Minnesota Statutes,</u>		
3.11	<u>section 3.737. If the amount in the first year</u>		
3.12	<u>is insufficient, the amount in the second year</u>		
3.13	<u>is available in the first year.</u>		
3.14	<u>\$75,000 the first year and \$75,000 the second</u>		
3.15	<u>year are for compensation for crop damage</u>		
3.16	<u>under Minnesota Statutes, section 3.7371. If</u>		
3.17	<u>the amount in the first year is insufficient, the</u>		
3.18	<u>amount in the second year is available in the</u>		
3.19	<u>first year.</u>		
3.20	<u>If the commissioner determines that claims</u>		
3.21	<u>made under Minnesota Statutes, section</u>		
3.22	<u>3.737 or 3.7371, are unusually high, amounts</u>		
3.23	<u>appropriated for either program may be</u>		
3.24	<u>transferred to the appropriation for the other</u>		
3.25	<u>program.</u>		
3.26	<u>\$100,000 the first year and \$100,000 the</u>		
3.27	<u>second year are for plant pest surveys.</u>		
3.28	<u>\$50,000 in the first year is for additional</u>		
3.29	<u>duties under the noxious weed law changes in</u>		
3.30	<u>this article. This is a onetime appropriation.</u>		
3.31	<u>Subd. 3. Agricultural Marketing and</u>		
3.32	<u>Development</u>	<u>4,782,000</u>	<u>4,782,000</u>
3.33	<u>\$186,000 the first year and \$186,000 the</u>		
3.34	<u>second year are for transfer to the Minnesota</u>		

4.1 grown account and may be used as grants
4.2 for Minnesota grown promotion under
4.3 Minnesota Statutes, section 17.102. Grants
4.4 may be made for one year. Notwithstanding
4.5 Minnesota Statutes, section 16A.28, the
4.6 appropriations encumbered under contract on
4.7 or before June 30, 2011, for Minnesota grown
4.8 grants in this paragraph are available until
4.9 June 30, 2013. \$50,000 of the appropriation
4.10 in each year is for efforts that identify
4.11 and promote Minnesota grown products in
4.12 retail food establishments including but not
4.13 limited to restaurants, grocery stores, and
4.14 convenience stores.

4.15 \$100,000 the first year and \$100,000 the
4.16 second year are for grants to farmers for
4.17 demonstration projects involving sustainable
4.18 agriculture as authorized in Minnesota
4.19 Statutes, section 17.116. Of the amount
4.20 for grants, up to \$20,000 may be used for
4.21 dissemination of information about the
4.22 demonstration projects. Notwithstanding
4.23 Minnesota Statutes, section 16A.28, the
4.24 appropriations encumbered under contract
4.25 on or before June 30, 2011, for sustainable
4.26 agriculture grants in this paragraph are
4.27 available until June 30, 2013.

4.28 \$103,000 the first year and \$103,000 the
4.29 second year are to provide training and
4.30 technical assistance to county and town
4.31 officials relating to livestock siting issues
4.32 and local zoning and land use planning,
4.33 including maintenance of the checklist
4.34 template clarifying the federal, state,
4.35 and local government requirements for
4.36 consideration of an animal agriculture

5.1 modernization or expansion project. For the
5.2 training and technical assistance program,
5.3 the commissioner shall continue to seek
5.4 guidance, advice, and support of livestock
5.5 producer organizations, general agricultural
5.6 organizations, local government associations,
5.7 academic institutions, other government
5.8 agencies, and others with expertise in land
5.9 use and agriculture.

5.10 \$77,000 the first year and \$77,000 the second
5.11 year are for integrated pest management
5.12 activities.

5.13 \$10,000 the first year and \$10,000 the
5.14 second year are for annual cost-share
5.15 payments to resident farmers or persons
5.16 who sell, process, or package agricultural
5.17 products in this state for the costs of organic
5.18 certification. Annual cost-share payments
5.19 per farmer must be two-thirds of the cost
5.20 of the certification or \$350, whichever is
5.21 less. In any year that a resident farmer or
5.22 person who sells, processes, or packages
5.23 agricultural products in this state receives
5.24 a federal organic certification cost-share
5.25 payment, that resident farmer or person is
5.26 not eligible for state cost-share payments. A
5.27 certified farmer is eligible to receive annual
5.28 certification cost-share payments for up to
5.29 five years. The commissioner may allocate
5.30 any excess appropriation in either fiscal year
5.31 for organic market and program development
5.32 including organic producer education efforts,
5.33 assistance for persons transitioning from
5.34 conventional to organic agriculture, or
5.35 sustainable agriculture demonstration grants
5.36 authorized under Minnesota Statutes, section

H.F. No. 1122, 4th Engrossment - 86th Legislative Session (2009-2010) [H1122-4]

6.1 17.116, and pertaining to organic research or
6.2 demonstration. Any unencumbered balance
6.3 does not cancel at the end of the first year
6.4 and is available for the second year.

6.5 Subd. 4. Bioenergy and Value-Added
6.6 Agriculture

12,168,000

12,168,000

\$12,168,000 each year is for ethanol producer payments under Minnesota Statutes, section 41A.09. The annual reduction of \$3,000,000 is a onetime reduction. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make payments on a pro rata basis. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year for scheduled payments and for deficiencies in payments during previous fiscal years, the balance in the appropriation is available to the commissioner for value-added agricultural programs, including the value-added agricultural product processing and marketing grant program under Minnesota Statutes, section 17.101, subdivision 5. The appropriation remains available until spent.

6.26 Subd. 5. Administration and Financial
6.27 Assistance

8,177,000

7,037,000

Appropriations by Fund

2010

2011

General

7,377,000

6,237,000

Agricultural

800,000

800,000

6.32 \$780,000 the first year and \$755,000 the
6.33 second year are for continuation of the dairy
6.34 development and profitability enhancement
6.35 and dairy business planning grant programs
6.36 established under Laws 1997, chapter

7.1 216, section 7, subdivision 2, and Laws
7.2 2001, First Special Session chapter 2,
7.3 section 9, subdivision 2. The commissioner
7.4 may allocate the available sums among
7.5 permissible activities, including efforts to
7.6 improve the quality of milk produced in the
7.7 state in the proportions that the commissioner
7.8 deems most beneficial to Minnesota's dairy
7.9 farmers. The commissioner must submit a
7.10 work plan detailing plans for expenditures
7.11 under this program to the chairs of the house
7.12 of representatives and senate committees
7.13 dealing with agricultural policy and budget
7.14 on or before the start of each fiscal year. If
7.15 significant changes are made to the plans
7.16 in the course of the year, the commissioner
7.17 must notify the chairs.

7.18 \$50,000 the first year and \$50,000 the
7.19 second year are for the Northern Crops
7.20 Institute. These appropriations may be spent
7.21 to purchase equipment.

7.22 \$19,000 the first year and \$19,000 the
7.23 second year are for a grant to the Minnesota
7.24 Livestock Breeders Association.

7.25 \$250,000 the first year and \$250,000 the
7.26 second year are for grants to the Minnesota
7.27 Agricultural Education and Leadership
7.28 Council for programs of the council under
7.29 Minnesota Statutes, chapter 41D.

7.30 \$474,000 the first year and \$474,000 the
7.31 second year are for payments to county and
7.32 district agricultural societies and associations
7.33 under Minnesota Statutes, section 38.02,
7.34 subdivision 1. Aid payments to county and
7.35 district agricultural societies and associations

8.1 shall be disbursed no later than July 15 of
8.2 each year. These payments are the amount of
8.3 aid from the state for an annual fair held in
8.4 the previous calendar year.

8.5 \$1,000 the first year and \$1,000 the second
8.6 year are for grants to the Minnesota State
8.7 Poultry Association.

8.8 \$65,000 the first year and \$65,000 the second
8.9 year are for annual grants to the Minnesota
8.10 Turf Seed Council for basic and applied
8.11 research on the improved production of
8.12 forage and turf seed related to new and
8.13 improved varieties. The grant recipient may
8.14 subcontract with a qualified third party for
8.15 some or all of the basic and applied research.

8.16 \$50,000 the first year and \$50,000 the
8.17 second year are for annual grants to the
8.18 Minnesota Turf Seed Council for basic
8.19 and applied agronomic research on native
8.20 plants, including plant breeding, nutrient
8.21 management, pest management, disease
8.22 management, yield, and viability. The grant
8.23 recipient may subcontract with a qualified
8.24 third party for some or all of the basic
8.25 or applied research. The grant recipient
8.26 must actively participate in the Agricultural
8.27 Utilization Research Institute's Renewable
8.28 Energy Roundtable and no later than
8.29 February 1, 2011, must report to the house of
8.30 representatives and senate committees with
8.31 jurisdiction over agriculture finance.

8.32 \$500,000 the first year and \$500,000 the
8.33 second year are for grants to Second Harvest
8.34 Heartland on behalf of Minnesota's six
8.35 Second Harvest food banks for the purchase

9.1 of milk for distribution to Minnesota's food
9.2 shelves and other charitable organizations
9.3 that are eligible to receive food from the food
9.4 banks. Milk purchased under the grants must
9.5 be acquired from Minnesota milk processors
9.6 and based on low-cost bids. The milk must be
9.7 allocated to each Second Harvest food bank
9.8 serving Minnesota according to the formula
9.9 used in the distribution of United States
9.10 Department of Agriculture commodities
9.11 under The Emergency Food Assistance
9.12 Program (TEFAP). Second Harvest
9.13 Heartland must submit quarterly reports
9.14 to the commissioner on forms prescribed
9.15 by the commissioner. The reports must
9.16 include, but are not limited to, information
9.17 on the expenditure of funds, the amount
9.18 of milk purchased, and the organizations
9.19 to which the milk was distributed. Second
9.20 Harvest Heartland may enter into contracts
9.21 or agreements with food banks for shared
9.22 funding or reimbursement of the direct
9.23 purchase of milk. Each food bank receiving
9.24 money from this appropriation may use up to
9.25 two percent of the grant for administrative
9.26 expenses.

9.27 \$1,000,000 the first year is for the agricultural
9.28 growth, research, and innovation program
9.29 in Minnesota Statutes, section 41A.12.
9.30 Priority must be given to livestock programs
9.31 under Minnesota Statutes, section 17.118.
9.32 Priority for livestock grants shall be given
9.33 to persons who are beginning livestock
9.34 producers and livestock producers who are
9.35 rebuilding after a disaster that was due to
9.36 natural or other unintended conditions. The

10.1 commissioner may use up to 4.5 percent
10.2 of this appropriation for costs incurred to
10.3 administer the program. Any unencumbered
10.4 balance does not cancel at the end of the first
10.5 year and is available in the second year.
10.6 \$100,000 the first year and \$100,000 the
10.7 second year are for transfer to the Board of
10.8 Trustees of the Minnesota State Colleges and
10.9 Universities for mental health counseling
10.10 support to farm families and business
10.11 operators through farm business management
10.12 programs at Central Lakes College and
10.13 Ridgewater College.
10.14 \$18,000 the first year and \$18,000 the
10.15 second year are for grants to the Minnesota
10.16 Horticultural Society.
10.17 Notwithstanding Minnesota Statutes,
10.18 section 18C.131, \$800,000 the first year
10.19 and \$800,000 the second year are from the
10.20 fertilizer account in the agricultural fund
10.21 for grants for fertilizer research as awarded
10.22 by the Minnesota Agricultural Fertilizer
10.23 Research and Education Council under
10.24 Minnesota Statutes, section 18C.71. The
10.25 amount appropriated in either fiscal year
10.26 must not exceed 57 percent of the inspection
10.27 fee revenue collected under Minnesota
10.28 Statutes, section 18C.425, subdivision 6,
10.29 during the previous fiscal year. No later
10.30 than February 1, 2011, the commissioner
10.31 shall report to the legislative committees
10.32 with jurisdiction over agriculture finance.
10.33 The report must include the progress and
10.34 outcome of funded projects as well as the

11.1 sentiment of the council concerning the need
11.2 for additional research funds.

11.3 \$60,000 the first year is for a transfer to the
11.4 University of Minnesota Extension Service
11.5 for farm-to-school grants to school districts
11.6 in Minneapolis, Moorhead, White Earth, and
11.7 Willmar.

11.8 \$30,000 is for star farms program
11.9 development. The commissioner, in
11.10 consultation with other state and local
11.11 agencies, farm groups, conservation groups,
11.12 legislators, and other interested persons, shall
11.13 develop a proposal for a star farms program.

11.14 By January 15, 2010, the commissioner
11.15 shall submit the proposal to the legislative
11.16 committees and divisions with jurisdiction
11.17 over agriculture and environmental policy
11.18 and finance. This is a onetime appropriation.

11.19 \$25,000 the first year is for the administration
11.20 of the Feeding Minnesota Task Force, under
11.21 new Minnesota Statutes, section 31.97. This
11.22 is a onetime appropriation.

11.23 Sec. 4. BOARD OF ANIMAL HEALTH \$ 5,239,000 \$ 5,239,000

11.24 \$2,531,000 the first year and \$2,531,000
11.25 the second year are for bovine tuberculosis
11.26 eradication efforts in cattle herds.

11.27 \$100,000 the first year and \$100,000 the
11.28 second year are for a program to control
11.29 paratuberculosis (Johne's disease) in
11.30 domestic bovine herds.

11.31 \$40,000 the first year and \$40,000 the second
11.32 year are for a program to investigate the
11.33 avian pneumovirus disease and to identify
11.34 the infected flocks. This appropriation must

12.1 be matched on a dollar-for-dollar or in-kind
12.2 basis with nonstate sources and is in addition
12.3 to money currently designated for turkey
12.4 disease research. Costs of blood sample
12.5 collection, handling, and transportation,
12.6 in addition to costs associated with early
12.7 diagnosis tests and the expenses of vaccine
12.8 research trials, may be credited to the match.
12.9 \$400,000 the first year and \$400,000 the
12.10 second year are for the purposes of cervidae
12.11 inspection as authorized in Minnesota
12.12 Statutes, section 35.155.

12.13	Sec. 5. <u>AGRICULTURAL UTILIZATION</u>		
12.14	<u>RESEARCH INSTITUTE</u>	\$ 2,883,000	\$ 2,883,000

12.15 Money in this appropriation is available for
12.16 technical assistance and technology transfer
12.17 to bioenergy crop producers and users.

12.18 Sec. 6. Minnesota Statutes 2008, section 3.737, subdivision 1, is amended to read:

Subdivision 1. **Compensation required.** (a) Notwithstanding section 3.736, subdivision 3, paragraph (e), or any other law, a livestock owner shall be compensated by the commissioner of agriculture for livestock that is destroyed by a gray wolf or is so crippled by a gray wolf that it must be destroyed. Except as provided in this section, the owner is entitled to the fair market value of the destroyed livestock as determined by the commissioner, upon recommendation of a university extension agent or a conservation officer. In any fiscal year, a livestock owner may not be compensated for a destroyed animal claim that is less than \$100 in value and may be compensated up to \$20,000, as determined under this section. In any fiscal year, the commissioner may provide compensation for claims filed under this section ~~and section 3.7371~~ up to a total of ~~\$100,000 for both programs combined~~ the amount expressly appropriated for this purpose.

(b) Either the agent or the conservation officer must make a personal inspection of the site. The agent or the conservation officer must take into account factors in addition to a visual identification of a carcass when making a recommendation to the commissioner. The commissioner, upon recommendation of the agent or conservation officer, shall determine whether the livestock was destroyed by a gray wolf and any deficiencies in the

owner's adoption of the best management practices developed in subdivision 5. The commissioner may authorize payment of claims only if the agent or the conservation officer has recommended payment. The owner shall file a claim on forms provided by the commissioner and available at the university extension agent's office.

Sec. 7. Minnesota Statutes 2008, section 3.7371, subdivision 3, is amended to read:

Subd. 3. **Compensation.** The crop owner is entitled to the target price or the market price, whichever is greater, of the damaged or destroyed crop plus adjustments for yield loss determined according to agricultural stabilization and conservation service programs for individual farms, adjusted annually, as determined by the commissioner, upon recommendation of the county extension agent for the owner's county. The commissioner, upon recommendation of the agent, shall determine whether the crop damage or destruction is caused by elk and, if so, the amount of the crop that is damaged or destroyed. In any fiscal year, a crop owner may not be compensated for a damaged or destroyed crop that is less than \$100 in value and may be compensated up to \$20,000, as determined under this section, if normal harvest procedures for the area are followed. In any fiscal year, the commissioner may provide compensation for claims filed under this section ~~and section 3.737~~ up to a total of \$100,000 for both programs combined the amount expressly appropriated for this purpose.

Sec. 8. Minnesota Statutes 2008, section 13.643, is amended by adding a subdivision to read:

Subd. 7. **Research, monitoring, or assessment data.** (a) Except as provided in paragraph (b), the following data created, collected, and maintained by the Department of Agriculture during research, monitoring, or the assessment of farm practices and related to natural resources, the environment, agricultural facilities, or agricultural practices are classified as private or nonpublic:

(1) names, addresses, telephone numbers, and e-mail addresses of study participants or cooperators; and

(2) location of research, study site, and global positioning system data.

(b) The following data is public:

(1) location data and unique well numbers for wells and springs unless protected under section 18B.10 or another statute or rule; and

(2) data from samples collected from a public water supply as defined in section 144.382, subdivision 4.

14.1 (c) The Department of Agriculture may disclose data collected under paragraph (a) if
14.2 the Department of Agriculture determines that there is a substantive threat to human health
14.3 and safety or to the environment, or to aid in the law enforcement process. The Department
14.4 of Agriculture may also disclose data with written consent of the subject of the data.

14.5 Sec. 9. Minnesota Statutes 2008, section 17.03, subdivision 12, is amended to read:

14.6 Subd. 12. **Contracts; appropriation.** The commissioner may accept money as part
14.7 of a contract with any public or private entity to provide statutorily prescribed services by
14.8 the department. A contract must specify the services to be provided by the department and
14.9 the amount and method of reimbursement. Money generated in a contractual agreement
14.10 under this section must be deposited in a special revenue fund and is appropriated to the
14.11 department for purposes of providing services specified in the contracts. Contracts under
14.12 this section must be processed in accordance with section 16C.05. ~~The commissioner must~~
14.13 ~~report revenues collected and expenditures made under this section to the chairs of the~~
14.14 ~~Environment and Natural Resources Finance Committee in the house of representatives~~
14.15 ~~and the Environment and Agriculture Budget Division in the senate by January 15 of~~
14.16 ~~each odd-numbered year.~~

14.17 Sec. 10. Minnesota Statutes 2008, section 17.114, subdivision 3, is amended to read:

14.18 Subd. 3. **Duties.** (a) The commissioner shall:

14.19 (1) establish a clearinghouse and provide information, appropriate educational
14.20 opportunities and other assistance to individuals, producers, and groups about sustainable
14.21 agricultural techniques, practices, and opportunities;

14.22 (2) survey producers and support services and organizations to determine
14.23 information and research needs in the area of sustainable agricultural practices;

14.24 (3) demonstrate the on-farm applicability of sustainable agriculture practices to
14.25 conditions in this state;

14.26 (4) coordinate the efforts of state agencies regarding activities relating to sustainable
14.27 agriculture;

14.28 (5) direct the programs of the department so as to work toward the sustainability of
14.29 agriculture in this state;

14.30 (6) inform agencies of how state or federal programs could utilize and support
14.31 sustainable agriculture practices;

14.32 (7) work closely with farmers, the University of Minnesota, and other appropriate
14.33 organizations to identify opportunities and needs as well as assure coordination and

15.1 avoid duplication of state agency efforts regarding research, teaching, and extension
15.2 work relating to sustainable agriculture; ~~and~~

15.3 (8) work cooperatively with local governments and others to strengthen the
15.4 connection between farmers who practice sustainable farming methods and urban, rural,
15.5 and suburban consumers, including, but not limited to, promoting local farmers' markets
15.6 and community-supported agriculture; and

15.7 (9) report to the Environmental Quality Board for review and then to the house of
15.8 representatives and senate committees with jurisdiction over the environment, natural
15.9 resources, and agriculture every even-numbered year.

15.10 (b) The report under paragraph (a), clause (8), must include:

15.11 (1) the presentation and analysis of findings regarding the current status and trends
15.12 regarding the economic condition of producers; the status of soil and water resources
15.13 utilized by production agriculture; the magnitude of off-farm inputs used; and the amount
15.14 of nonrenewable resources used by Minnesota farmers;

15.15 (2) a description of current state or federal programs directed toward sustainable
15.16 agriculture including significant results and experiences of those programs;

15.17 (3) a description of specific actions the Department of Agriculture is taking in the
15.18 area of sustainable agriculture, including, but not limited to, specific actions to strengthen
15.19 the connection between sustainable farmers and consumers under paragraph (a), clause (8);

15.20 (4) a description of current and future research needs at all levels in the area of
15.21 sustainable agriculture; and

15.22 (5) suggestions for changes in existing programs or policies or enactment of new
15.23 programs or policies that will affect farm profitability, maintain soil and water quality,
15.24 reduce input costs, or lessen dependence upon nonrenewable resources.

15.25 Sec. 11. Minnesota Statutes 2008, section 17.115, subdivision 2, is amended to read:

15.26 Subd. 2. **Loan criteria.** (a) The shared savings loan program must provide loans for
15.27 purchase of new or used machinery and installation of equipment for projects that make
15.28 environmental improvements ~~or~~ and enhance farm profitability. Eligible loan uses do not
15.29 include seed, fertilizer, or fuel.

15.30 (b) Loans may not exceed ~~\$25,000~~ \$40,000 per individual applying for a loan and
15.31 may not exceed ~~\$100,000~~ \$160,000 for loans to four or more individuals on joint projects.
15.32 The loan repayment period may be up to seven years as determined by project cost and
15.33 energy savings. The interest rate on the loans must not exceed six percent. ~~For loans made~~
15.34 ~~from May 1, 2004, to June 30, 2007, the interest rate must not exceed three percent.~~

15.35 (c) Loans may only be made to residents of this state engaged in farming.

16.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

16.2 Sec. 12. Minnesota Statutes 2008, section 17.118, subdivision 2, is amended to read:

16.3 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this
16.4 subdivision have the meanings given them.

16.5 (b) "Livestock" means beef cattle, dairy cattle, swine, poultry, goats, mules, farmed
16.6 cervidae, ratitae, bison, sheep, horses, and llamas.

16.7 (c) "Qualifying expenditures" means the amount spent for:

16.8 (1) the acquisition, construction, or improvement of buildings or facilities for the
16.9 production of livestock or livestock products;

16.10 (2) the development of pasture for use by livestock including, but not limited to, the
16.11 acquisition, development, or improvement of:

16.12 (i) lanes used by livestock that connect pastures to a central location;

16.13 (ii) watering systems for livestock on pasture including water lines ~~and~~₂ booster
16.14 pumps, and well installations;

16.15 (iii) livestock stream crossing stabilization; and

16.16 (iv) fences; or

16.17 (3) the acquisition of equipment for livestock housing, confinement, feeding, and
16.18 waste management including, but not limited to, the following:

16.19 (i) freestall barns;

16.20 (ii) watering facilities;

16.21 (iii) feed storage and handling equipment;

16.22 (iv) milking parlors;

16.23 (v) robotic equipment;

16.24 (vi) scales;

16.25 (vii) milk storage and cooling facilities;

16.26 (viii) bulk tanks;

16.27 (ix) computer hardware and software and associated equipment used to monitor
16.28 the productivity and feeding of livestock;

16.29 (x) manure pumping and storage facilities;

16.30 (xi) swine farrowing facilities;

16.31 (xii) swine and cattle finishing barns;

16.32 (xiii) calving facilities;

16.33 (xiv) digesters;

16.34 (xv) equipment used to produce energy;

16.35 (xvi) on-farm processing facilities equipment;

17.1 (xvii) fences; and

17.2 (xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

17.3 Except for qualifying pasture development expenditures under clause (2), qualifying
17.4 expenditures only include amounts that are allowed to be capitalized and deducted under
17.5 either section 167 or 179 of the Internal Revenue Code in computing federal taxable
17.6 income. Qualifying expenditures do not include an amount paid to refinance existing debt.

17.7 (d) "Qualifying period" means, for a grant awarded during a fiscal year, that full
17.8 calendar year of which the first six months precede the first day of the current fiscal year.
17.9 For example, an eligible person who makes qualifying expenditures during calendar
17.10 year 2008 is eligible to receive a livestock investment grant between July 1, 2008, and
17.11 June 30, 2009.

17.12 Sec. 13. Minnesota Statutes 2008, section 17.118, subdivision 4, is amended to read:

17.13 Subd. 4. **Process.** The commissioner, in consultation with the chairs and ranking
17.14 minority members of the house of representatives and senate committees with jurisdiction
17.15 over agriculture finance, shall develop competitive eligibility criteria and may allocate
17.16 grants on a needs basis. ~~The commissioner shall certify eligible applications up to the~~
17.17 ~~amount appropriated for a fiscal year.~~ The commissioner ~~must~~ shall place any ~~additional~~
17.18 eligible unfunded applications on a waiting list and, notwithstanding subdivision 2,
17.19 paragraph ~~(c)~~ (d), give them priority consideration during the next fiscal year in which
17.20 program funding is available. The commissioner shall notify in writing any applicant
17.21 who applies for a grant and is ineligible under the provisions of this section as well as
17.22 any applicant whose application is received or reviewed after the fiscal year funding
17.23 limit has been reached.

17.24 Sec. 14. Minnesota Statutes 2008, section 18.75, is amended to read:

17.25 **18.75 PURPOSE.**

17.26 It is the policy of the legislature that residents of the state be protected from the
17.27 injurious effects of noxious weeds on public health, the environment, public roads, crops,
17.28 livestock, and other property. Sections 18.76 to ~~18.88~~ 18.91 contain procedures for
17.29 controlling and eradicating noxious weeds on all lands within the state.

17.30 Sec. 15. Minnesota Statutes 2008, section 18.76, is amended to read:

17.31 **18.76 CITATION.**

17.32 Sections 18.76 to ~~18.88~~ 18.91 may be cited as the "Minnesota Noxious Weed Law."

18.1 Sec. 16. Minnesota Statutes 2008, section 18.77, subdivision 1, is amended to read:

18.2 Subdivision 1. **Scope.** The definitions in this section apply to sections 18.76 to
18.3 ~~18.88~~ 18.91.

18.4 Sec. 17. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision
18.5 to read:

18.6 Subd. 2a. **Certified noxious weed free.** "Certified noxious weed free" means that
18.7 the material being certified has been inspected, tested, or processed to devitalize or
18.8 remove the noxious weed propagating parts in order to verify that viable noxious weed
18.9 propagating parts are not present in the material.

18.10 Sec. 18. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision
18.11 to read:

18.12 Subd. 2b. **Commissioner.** "Commissioner" means the commissioner of agriculture.

18.13 Sec. 19. Minnesota Statutes 2008, section 18.77, subdivision 3, is amended to read:

18.14 Subd. 3. **Control.** "Control" means to destroy all or part of the aboveground growth
18.15 of noxious weeds by a lawful method that does not cause unreasonable adverse effects on
18.16 the environment as defined in section 18B.01, subdivision 31, and prevents the maturation
18.17 and spread of noxious weed propagating parts from one area to another.

18.18 Sec. 20. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision
18.19 to read:

18.20 Subd. 3a. **County-designated employee.** "County-designated employee" means a
18.21 person designated by a county board to oversee the responsibilities in section 18.81,
18.22 subdivision 1a.

18.23 Sec. 21. Minnesota Statutes 2008, section 18.77, subdivision 5, is amended to read:

18.24 Subd. 5. **Growing crop.** "Growing crop" means an agricultural, horticultural, or
18.25 forest crop that has been planted or regularly maintained and intended for harvest. It
18.26 does not mean a permanent pasture, hay meadow, woodlot, or other noncrop area that
18.27 contains native or seeded perennial plants used for grazing or hay purposes, and that is
18.28 not harvested on a regular basis.

18.29 Sec. 22. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision
18.30 to read:

19.1 Subd. 5a. **Inspector.** "Inspector" means the commissioner, agent of the
19.2 commissioner, county agricultural inspector, local weed inspector, or assistant weed
19.3 inspector.

19.4 Sec. 23. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision
19.5 to read:

19.6 Subd. 8a. **Noxious weed management plan.** "Noxious weed management plan"
19.7 means controlling or eradicating noxious weeds in the manner designated in a management
19.8 plan developed for the area or site where the infestations are found using specific strategies
19.9 or methods that are to be used singly or in combination to achieve control or eradication.

19.10 Sec. 24. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision
19.11 to read:

19.12 Subd. 13. **Weed management area.** "Weed management area" means a designated
19.13 area where special or unique noxious weed control or eradication strategies or methods
19.14 are used according to a specific management plan developed for each management area
19.15 established.

19.16 Sec. 25. Minnesota Statutes 2008, section 18.78, subdivision 1, is amended to read:

19.17 Subdivision 1. **Generally.** A person owning land, a person occupying land, or a
19.18 person responsible for the maintenance of public land shall control or eradicate all noxious
19.19 weeds on the land at a time and in a manner ordered by ~~the county agricultural inspector~~
19.20 ~~or a local weed~~ an inspector or county-designated employee.

19.21 Sec. 26. Minnesota Statutes 2008, section 18.78, is amended by adding a subdivision
19.22 to read:

19.23 Subd. 3. **Cooperative weed control agreement.** The commissioner, municipality,
19.24 or county agricultural inspector or county-designated employee may enter into a
19.25 cooperative weed control agreement with a landowner or weed management area
19.26 group to establish a mutually agreed upon noxious weed management plan for up to
19.27 three years duration, whereby a noxious weed problem will be controlled without
19.28 additional enforcement action. If a property owner fails to comply with the noxious weed
19.29 management plan, an individual notice may be served.

19.30 Sec. 27. Minnesota Statutes 2008, section 18.79, is amended to read:

19.31 **18.79 DUTIES OF COMMISSIONER.**

Subdivision 1. **Enforcement.** The commissioner of agriculture shall administer and enforce sections 18.76 to ~~18.88~~ 18.91.

Subd. 2. **Authorized agents.** County agricultural inspectors may administer and enforce sections 18.76 to ~~18.88~~ 18.91. A county-designated employee may enforce sections 18.78, 18.82, 18.83, 18.84, 18.86, and 18.87. A county must make the identity of a county-designated employee described by this subdivision available to the public.

Subd. 3. **Entry upon land.** To administer and enforce sections 18.76 to ~~18.88~~ 18.91, county agricultural inspectors and local weed inspectors an inspector or county-designated employee may enter upon land without consent of the owner and without being subject to an action for trespass or any damages.

Subd. 4. **Rules.** The commissioner may adopt necessary rules under chapter 14 for the proper enforcement of sections 18.76 to ~~18.88~~ 18.91.

Subd. 5. **Order for control or eradication of noxious weeds.** ~~A county agricultural inspector or a local weed~~ An inspector or county-designated employee may order the control or eradication of noxious weeds on any land within the ~~state~~ inspector's or county-designated employee's jurisdiction. A county must make the identity of a county-designated employee described by this subdivision available to the public.

Subd. 6. **~~Initial~~ Training for control or eradication of noxious weeds.** The commissioner shall conduct initial training considered necessary for ~~weed~~ inspectors and county-designated employees in the enforcement of the Minnesota Noxious Weed Law. The director of the Minnesota Extension Service may conduct educational programs for the general public that will aid compliance with the Minnesota Noxious Weed Law. Upon request, the commissioner may provide information and other technical assistance to the county agricultural inspector or county-designated employee to aid in the performance of responsibilities specified by the county board under section 18.81, subdivisions 1a and 1b.

Subd. 7. **Meetings and reports.** The commissioner shall designate by rule ~~the~~ reports ~~that are~~ required to be made and ~~the~~ meetings that must be attended by ~~weed~~ inspectors.

Subd. 8. **Prescribed forms.** The commissioner shall prescribe the forms to be used by ~~weed~~ inspectors and county-designated employees in the enforcement of sections 18.76 to ~~18.88~~ 18.91.

Subd. 9. **Injunction.** If the county agricultural inspector or county-designated employee applies to a court for a temporary or permanent injunction restraining a person from violating or continuing to violate sections 18.76 to ~~18.88~~ 18.91, the injunction may be issued without requiring a bond.

Subd. 10. **Prosecution.** On finding that a person has violated sections 18.76 to ~~18.88~~ 18.91, the county agricultural inspector or county-designated employee may start court proceedings in the locality in which the violation occurred. The county attorney may prosecute actions under sections 18.76 to ~~18.88~~ 18.91 within the county attorney's jurisdiction.

Subd. 12. **Noxious-weed-free forage and mulch certification agency.** The official certification agency for noxious-weed-free forage ~~and~~ mulch shall, soil, gravel, and other material must be determined by the commissioner of agriculture in consultation with the director of the Minnesota agricultural experiment station. The commissioner may also certify forage, mulch, soil, gravel, or other material as noxious weed free.

Subd. 13. **Noxious weed designation.** The commissioner, in consultation with the Noxious Weed Advisory Committee, shall determine which plants are noxious weeds subject to control under sections 18.76 to 18.91. The commissioner shall prepare, publish, and revise as necessary, but at least once every three years, a list of noxious weeds and their designated classification. The list must be distributed to the public by the commissioner who may request the help of the University of Minnesota Extension, the county agricultural inspectors, and any other organization the commissioner considers appropriate to assist in the distribution. The commissioner may, in consultation with the Noxious Weed Advisory Committee, accept and consider noxious weed designation petitions from Minnesota citizens or Minnesota organizations or associations.

Subd. 14. **County petition.** A county may petition the commissioner to designate specific noxious weeds which are a control problem in the county.

Subd. 15. **Noxious weed management.** The commissioner, in consultation with the Noxious Weed Advisory Committee, shall develop management strategies and criteria for each noxious weed category.

Subd. 16. **Gifts; grants; contracts; funds.** The commissioner, counties, and municipalities may apply for and accept any gift, grant, contract, or other funds or grants-in-aid from the federal government or other public and private sources for noxious weed control purposes.

Subd. 17. **Noxious weed investigation.** The commissioner shall investigate the subject of noxious weeds and conduct investigations outside this state to protect the interest of the agricultural industry, forests, or the environment of this state from noxious weeds not generally growing in Minnesota.

Subd. 18. **Noxious weed education.** The commissioner shall disseminate information and conduct educational campaigns with respect to control of noxious weeds or invasive plants to enhance regulatory compliance and voluntary efforts to eliminate or

22.1 manage these plants. The commissioner shall call and attend meetings and conferences
22.2 dealing with the subject of noxious weeds. The commissioner shall maintain on the
22.3 department's Web site noxious weed management information including but not limited
22.4 to the roles and responsibilities of citizens and government entities under sections 18.76
22.5 to 18.91 and specific guidance as to whom a person should contact to report a noxious
22.6 weed issue.

22.7 Subd. 19. **State and federal lands.** The commissioner shall inform and direct state
22.8 and federal agencies regarding their responsibility to manage and control noxious weeds
22.9 on land that those agencies own, control, or manage.

22.10 Subd. 20. **Interagency cooperation.** The commissioner shall cooperate with
22.11 agencies of federal, state, and local governments and other persons in carrying out duties
22.12 under sections 18.76 to 18.91.

22.13 Subd. 21. **Weed management area.** The commissioner, in consultation with the
22.14 Noxious Weed Advisory Committee, may establish a weed management area to include a
22.15 part of one or more counties or all of one or more counties of this state and shall include all
22.16 the land within the boundaries of the area established. Weed management plans developed
22.17 for a weed management area must be reviewed and approved by the commissioner and
22.18 the Noxious Weed Advisory Committee. Weed management areas may seek funding
22.19 under section 18.90.

22.20 Sec. 28. Minnesota Statutes 2008, section 18.80, subdivision 1, is amended to read:

22.21 Subdivision 1. **County agricultural inspectors; and county-designated**
22.22 **employees.** The county board shall either appoint at least one or more county agricultural
22.23 inspectors that meet the qualifications prescribed by rule. The appointment must be for
22.24 a period of time which is sufficient to accomplish the duties assigned to this position
22.25 inspector to carry out the duties specified under section 18.81, subdivisions 1a and 1b,
22.26 or a county-designated employee to carry out the duties specified under section 18.81,
22.27 subdivision 1a. A notice of the appointment of either a county agricultural inspector or
22.28 county-designated employee must be delivered to the commissioner within ten 30 days of
22.29 the appointment and it must establish the initial number of hours to be worked annually.

22.30 Sec. 29. Minnesota Statutes 2008, section 18.81, is amended by adding a subdivision
22.31 to read:

22.32 Subd. 1a. **Duties; county agricultural inspectors and county-designated**
22.33 **employees.** The county agricultural inspector or county-designated employee shall be
22.34 responsible for:

- 23.1 (1) the enforcement provisions under sections 18.78, 18.82, 18.83, 18.84, 18.86
23.2 and 18.87; and
23.3 (2) providing a point of contact within the county for noxious weed issues.

23.4 Sec. 30. Minnesota Statutes 2008, section 18.81, is amended by adding a subdivision
23.5 to read:

23.6 Subd. 1b. **County agricultural inspectors.** In addition to the mandatory duties
23.7 specified in subdivision 1a, the county board must specify the responsibilities of the
23.8 county agricultural inspector in the annual work plan. The responsibilities may include:

23.9 (1) to see that sections 18.76 to 18.91 and rules adopted under those sections are
23.10 carried out within the inspector's jurisdiction;

23.11 (2) to see that sections 21.80 to 21.92 and rules adopted under those sections are
23.12 carried out within the inspector's jurisdiction;

23.13 (3) to see that sections 21.71 to 21.78 and rules adopted under those sections are
23.14 carried out within the inspector's jurisdiction;

23.15 (4) to participate in the control programs for invasive plant species, feed, fertilizer,
23.16 pesticide, and plant and insect pests when requested, in writing, to do so by the
23.17 commissioner;

23.18 (5) to participate in other agricultural programs under the control of the
23.19 commissioner when requested, in writing, by the commissioner to do so;

23.20 (6) to administer the distribution of funds allocated by the county board to the county
23.21 agricultural inspector for noxious weed control and eradication within the county;

23.22 (7) to submit reports and attend meetings that the commissioner requires;

23.23 (8) to publish a general weed notice of the legal duty to control noxious weeds in
23.24 one or more legal newspapers of general circulation throughout the county; and

23.25 (9) to be the primary contact in the county for all plant biological control agents.

23.26 Sec. 31. Minnesota Statutes 2008, section 18.81, subdivision 3, is amended to read:

23.27 Subd. 3. **Nonperformance by inspectors; reimbursement for expenses.** If local
23.28 weed inspectors neglect or fail to do their duty as prescribed in this section, the county
23.29 agricultural inspector ~~shall~~ or county-designated employee, in consultation with the
23.30 commissioner, may issue a notice to the inspector providing instructions on how and
23.31 when to do their duty. If, after the time allowed in the notice, the local weed inspector
23.32 has not complied as directed, the county agricultural inspector or county-designated
23.33 employee may consult with the commissioner to perform the duty for the local weed
23.34 inspector. A claim for the expense of doing the local weed inspector's duty is a legal

24.1 charge against the municipality in which the inspector has jurisdiction. The county
24.2 agricultural inspector ~~doing~~ or county-designated employee overseeing the work may file
24.3 an itemized statement of costs with the clerk of the municipality in which the work was
24.4 performed. The municipality shall immediately issue proper warrants to the county for
24.5 the work performed. If the municipality fails to issue the warrants, the county auditor
24.6 may include the amount contained in the itemized statement of costs as part of the next
24.7 annual tax levy in the municipality and withhold that amount from the municipality in
24.8 making its next apportionment.

24.9 Sec. 32. Minnesota Statutes 2008, section 18.82, subdivision 1, is amended to read:

24.10 Subdivision 1. **Permits.** Except as provided in section 21.74, if a person wants to
24.11 transport along a public highway materials or equipment containing the propagating
24.12 parts of weeds designated as noxious by the commissioner, the person must secure
24.13 a written permit for transportation of the material or equipment from ~~a local weed~~
24.14 ~~inspector or county agricultural~~ an inspector or county-designated employee. Inspectors
24.15 or county-designated employees may issue permits to persons residing or operating within
24.16 their jurisdiction. If the noxious weed propagating parts are removed from materials and
24.17 equipment or devitalized before being transported, a permit is not needed.

24.18 Sec. 33. Minnesota Statutes 2008, section 18.82, subdivision 3, is amended to read:

24.19 Subd. 3. **Duration of permit; revocation.** A permit under subdivision 1 is valid for
24.20 up to one year after the date it is issued unless otherwise specified by the ~~weed~~ inspector
24.21 or county-designated employee issuing the permit. The permit may be revoked if ~~a~~
24.22 ~~county agricultural inspector or local weed~~ an inspector or county-designated employee
24.23 determines that the applicant has not complied with this section.

24.24 Sec. 34. Minnesota Statutes 2008, section 18.83, is amended to read:

24.25 **18.83 CONTROL; ERADICATION; NOTICES; EXPENSES.**

24.26 Subdivision 1. **General weed notice.** A general notice for noxious weed control
24.27 or eradication must be published on or before May 15 of each year ~~and at other~~
24.28 ~~times the commissioner directs~~. Failure of the county agricultural weed inspector or
24.29 county-designated employee to publish the general notice does not relieve a person from
24.30 the necessity of full compliance with sections 18.76 to ~~18.88~~ 18.91 and related rules. The
24.31 published notice is legal and sufficient notice when an individual notice cannot be served.

24.32 Subd. 2. **Individual notice.** ~~A weed~~ An inspector or county-designated employee
24.33 may find it necessary to secure more prompt or definite control or eradication of

noxious weeds than is accomplished by the published general notice. In these special or individual instances, involving one or a limited number of persons, the ~~weed~~ inspector or county-designated employee having jurisdiction shall serve individual notices in writing upon the person who owns the land and the person who occupies the land, or the person responsible for or charged with the maintenance of public land, giving specific instructions on when and how named noxious weeds are to be controlled or eradicated. Individual notices provided for in this section must be served in the same manner as a summons in a civil action in the district court or by certified mail. Service on a person living temporarily or permanently outside of the ~~weed~~ inspector's or county-designated employee's jurisdiction may be made by sending the notice by certified mail to the last known address of the person, to be ascertained, if necessary, from the last tax list in the county treasurer's office.

Subd. 3. **Appeal of individual notice; appeal committee.** (1) A recipient of an individual notice may appeal, in writing, the order for control or eradication of noxious weeds. This appeal must be filed with a member of the appeal committee in the county where the land is located within two working days of the time the notice is received. The committee must inspect the land specified in the notice and report back to the recipient and the inspector or county-designated employee who issued the notice within five working days, either agreeing, disagreeing, or revising the order. The decision may be appealed in district court. If the committee agrees or revises the order, the control or eradication specified in the order, as approved or revised by the committee, may be carried out.

(2) The county board of ~~commissioners~~ shall appoint members of the appeal committee. The membership must include a county commissioner or municipal official and a landowner residing in the county. The expenses of the members may be reimbursed by the county upon submission of an itemized statement to the county auditor. At its option, the county board of ~~commissioners~~, by resolution, may delegate the duties of the appeal committee to its board of adjustment established pursuant to section 394.27. When carrying out the duties of the appeal committee, the zoning board of adjustment shall comply with all of the procedural requirements of this section.

Subd. 4. **Control or eradication by inspector or county-designated employee.** If a person does not comply with an individual notice served on the person or an individual notice cannot be served, the ~~weed~~ inspector or county-designated employee having jurisdiction shall have the noxious weeds controlled or eradicated within the time and in the manner the ~~weed~~ inspector or county-designated employee designates.

Subd. 5. **Control or eradication by inspector or county-designated employee in growing crop.** ~~A weed~~ An inspector or county-designated employee may consider it

necessary to control or eradicate noxious weeds along with all or a part of a growing crop to prevent the maturation and spread of noxious weeds within the inspector's or county-designated employee's jurisdiction. If this situation exists, the ~~weed~~ inspector or county-designated employee may have the noxious weeds controlled or eradicated together with the crop after the appeal committee has reviewed the matter as outlined in subdivision 3 and reported back agreement with the order.

Subd. 6. **Authorization for person hired to enter upon land.** The ~~weed~~ inspector or county-designated employee may hire a person to control or eradicate noxious weeds if the person who owns the land, the person who occupies the land, or the person responsible for the maintenance of public land has failed to comply with an individual notice or with the published general notice when an individual notice cannot be served. The person hired must have authorization, in writing, from the ~~weed~~ inspector or county-designated employee to enter upon the land.

Subd. 7. **Expenses; reimbursements.** A claim for the expense of controlling or eradicating noxious weeds, which may include the costs of serving notices, is a legal charge against the county in which the land is located. The officers having the work done must file with the county auditor a verified and itemized statement of cost for all services rendered on each separate tract or lot of land. The county auditor shall immediately issue proper warrants to the persons named on the statement as having rendered services. To reimburse the county for its expenditure in this regard, the county auditor shall certify the total amount due and, unless an appeal is made in accordance with section 18.84, enter it on the tax roll as a tax upon the land and it must be collected as other real estate taxes are collected.

If public land is involved, the amount due must be paid from funds provided for maintenance of the land or from the general revenue or operating fund of the agency responsible for the land. Each claim for control or eradication of noxious weeds on public lands must first be approved by the commissioner of agriculture.

Sec. 35. Minnesota Statutes 2008, section 18.84, subdivision 1, is amended to read:

Subdivision 1. **Counties and municipalities.** Counties and municipalities are not liable for damages from the noxious weed control program for actions conducted in accordance with sections 18.76 to ~~18.88~~ 18.91.

Sec. 36. Minnesota Statutes 2008, section 18.84, subdivision 2, is amended to read:

Subd. 2. **Appeal of charges to county board.** A person who is ordered to control noxious weeds under sections 18.76 to ~~18.88~~ 18.91 and is charged for noxious weed

27.1 control may appeal the cost of noxious weed control to the county board of the county
27.2 where the noxious weed control measures were undertaken within 30 days after being
27.3 charged. The county board shall determine the amount and approve the charge and filing
27.4 of a lien against the property if it determines that the owner, or occupant if other than the
27.5 owner, responsible for controlling noxious weeds did not comply with the order of the
27.6 inspector or county-designated employee.

27.7 Sec. 37. Minnesota Statutes 2008, section 18.84, subdivision 3, is amended to read:

27.8 Subd. 3. **Court Appeal of costs to district court; petition.** (a) A ~~landowner who~~
27.9 ~~has appealed~~ person who is ordered to control noxious weeds under sections 18.76 to 18.91
27.10 and is charged for the cost of noxious weed control ~~measures under subdivision 2~~ may
27.11 petition for judicial review of the charges. The petition must be filed within 30 days after
27.12 ~~the conclusion of the hearing before the county board~~ being charged. The petition must be
27.13 filed with the court administrator in the county in which the land where the noxious weed
27.14 control measures were undertaken is located, together with proof of service of a copy of
27.15 the petition on the county auditor. No responsive pleadings may be required of the county,
27.16 and no court fees may be charged for the appearance of the county in this matter.

27.17 (b) The petition must be captioned in the name of the person making the petition as
27.18 petitioner and respective county as respondents. The petition must include the petitioner's
27.19 name, the legal description of the land involved, a copy of the notice to control noxious
27.20 weeds, and the date or dates on which appealed control measures were undertaken.

27.21 (c) The petition must state with specificity the grounds upon which the petitioner
27.22 seeks to avoid the imposition of a lien for the cost of noxious weed control measures.

27.23 Sec. 38. Minnesota Statutes 2008, section 18.86, is amended to read:

27.24 **18.86 UNLAWFUL ACTS.**

27.25 No person may:

27.26 (1) hinder or obstruct in any way ~~the county agricultural inspectors or local weed~~
27.27 ~~inspectors~~ an inspector or county-designated employee in the performance of ~~their~~ duties
27.28 ~~as provided in~~ under sections 18.76 to ~~18.88~~ 18.91 or related rules;

27.29 (2) neglect, fail, or refuse to comply with section 18.82 or related rules in the
27.30 transportation and use of material or equipment infested with noxious weed propagating
27.31 parts;

27.32 (3) sell material containing noxious weed propagating parts to a person who does
27.33 not have a permit to transport that material or to a person who does not have a screenings
27.34 permit issued in accordance with section 21.74; or

28.1 (4) neglect, fail, or refuse to comply with a general notice or an individual notice to
28.2 control or eradicate noxious weeds.

28.3 Sec. 39. Minnesota Statutes 2008, section 18.87, is amended to read:

28.4 **18.87 PENALTY.**

28.5 A violation of section 18.86 or a rule adopted under that section is a misdemeanor.
28.6 ~~County agricultural inspectors, local weed~~ Inspectors, county-designated employees, or
28.7 their appointed assistants are not subject to the penalties of this section for failure, neglect,
28.8 or refusal to perform duties imposed on them by sections 18.76 to ~~18.88~~ 18.91.

28.9 Sec. 40. Minnesota Statutes 2008, section 18.88, is amended to read:

28.10 **18.88 NOXIOUS WEED PROGRAM FUNDING.**

28.11 Subdivision 1. **County.** The county board shall pay, from the general revenue or
28.12 other fund for the county, the expenses for the county agricultural inspector position or
28.13 county-designated employee, for noxious weed control or eradication on all land owned
28.14 by the county or on land ~~that~~ for which the county is responsible for ~~the~~ its maintenance
28.15 ~~of, and for the expenses of the appeal committee, and for necessary expenses as required~~
28.16 ~~for quarantines within the county.~~ Use of funding from grants and other sources for the
28.17 administration and enforcement of the Minnesota Noxious Weed Law must be approved
28.18 by the county board.

28.19 Subd. 2. **Municipality.** The municipality shall pay, from the general revenue or
28.20 other fund for the municipality, the necessary expenses of the local weed inspector in the
28.21 performance of duties required ~~for quarantines within the municipality, and~~ for noxious
28.22 weed control or eradication on land owned by the municipality or on land for which the
28.23 municipality is responsible for its maintenance. Use of funding from grants and other
28.24 sources for the administration and enforcement of the Minnesota Noxious Weed Law must
28.25 be approved by the town board or city mayor.

28.26 Subd. 3. **Funding.** Funding in the form of grants or cost sharing may be provided
28.27 to the counties for the performance of their activities under section 18.81, subdivisions
28.28 1a and 1b.

28.29 Sec. 41. **[18.89] NOXIOUS WEED AND INVASIVE PLANT SPECIES**
28.30 **ASSISTANCE ACCOUNT.**

28.31 The noxious weed and invasive plant species assistance account is created in the
28.32 agricultural fund. The account may be used to carry out the purposes of section 18.90.
28.33 Any money transferred or appropriated to the account and any money received by the

29.1 account as gifts or grants or other private or public funds obtained for the purposes in
29.2 section 18.91 must be credited to the account. The money in the account is annually
29.3 appropriated to the commissioner to implement section 18.90.

29.4 Sec. 42. **[18.90] GRANT PROGRAM.**

29.5 (a) From funds available in the noxious weed and invasive plant species assistance
29.6 account established in section 18.89, the commissioner shall administer a grant program
29.7 to assist counties and municipalities and other weed management entities in the cost
29.8 of implementing and maintaining noxious weed control programs and in addressing
29.9 special weed control problems. The commissioner shall receive applications by counties,
29.10 municipalities, weed management areas, and weed management entities for assistance
29.11 under this section and, in consultation with the Noxious Weed Advisory Committee,
29.12 award grants for any of the following eligible purposes:

29.13 (1) to conduct applied research to solve locally significant weed management
29.14 problems;

29.15 (2) to demonstrate innovative control methods or land management practices which
29.16 have the potential to reduce landowner costs to control noxious weeds or improve the
29.17 effectiveness of noxious weed control;

29.18 (3) to encourage the ongoing support of weed management areas;

29.19 (4) to respond to introductions or infestations of invasive plants that threaten or
29.20 potentially threaten the productivity of cropland and rangeland over a wide area;

29.21 (5) to respond to introductions or infestations of invasive plant species that threaten
29.22 or potentially threaten the productivity of biodiversity of wildlife and fishery habitats on
29.23 public and private lands;

29.24 (6) to respond to special weed control problems involving weeds not included in the
29.25 list of noxious weeds published and distributed by the commissioner;

29.26 (7) to conduct monitoring or surveillance activities to detect, map, or determine
29.27 the distribution of invasive plant species and to determine susceptible locations for the
29.28 introduction or spread of invasive plant species; and

29.29 (8) to conduct educational activities.

29.30 (b) The commissioner shall select and prioritize applications for assistance under
29.31 this section based on the following considerations:

29.32 (1) the seriousness of the noxious weed or invasive plant problem or potential
29.33 problem addressed by the project;

29.34 (2) the ability of the project to provide timely intervention to save current and future
29.35 costs of control and eradication;

(3) the likelihood that the project will prevent or resolve the problem or increase knowledge about resolving similar problems in the future;

(4) the extent to which the project will leverage federal funds and other nonstate funds;

(5) the extent to which the applicant has made progress in addressing noxious weed or invasive plant problems;

(6) the extent to which the project will provide a comprehensive approach to the control or eradication of noxious weeds;

(7) the extent to which the project will reduce the total population or area of infestation of a noxious weed;

(8) the extent to which the project uses the principles of integrated vegetation management and sound science; and

(9) other factors that the commissioner determines to be relevant.

(c) Nothing in this section may be construed to relieve a person of the duty or responsibility to control the spread of noxious weeds on lands owned and controlled by the person.

Sec. 43. **[18.91] ADVISORY COMMITTEE; MEMBERSHIP.**

Subdivision 1. **Duties.** The commissioner shall consult with the Noxious Weed Advisory Committee to advise the commissioner concerning responsibilities under the noxious weed control program. The committee shall also evaluate species for invasiveness, difficulty of control, cost of control, benefits, and amount of injury caused by them. For each species evaluated, the committee shall recommend to the commissioner on which noxious weed list or lists, if any, the species should be placed. Species currently designated as prohibited or restricted noxious weeds must be reevaluated every three years for a recommendation on whether or not they need to remain on the noxious weed lists. Members of the committee are not entitled to reimbursement of expenses nor payment of per diem. Members shall serve two-year terms with subsequent reappointment by the commissioner.

Subd. 2. **Membership.** The commissioner shall appoint members, which shall include representatives from the following:

(1) horticultural science, agronomy, and forestry at the University of Minnesota;

(2) the nursery and landscape industry in Minnesota;

(3) the seed industry in Minnesota;

(4) the Department of Agriculture;

(5) the Department of Natural Resources;

- 31.1 (6) a conservation organization;
- 31.2 (7) an environmental organization;
- 31.3 (8) at least two farm organizations;
- 31.4 (9) the county agricultural inspectors;
- 31.5 (10) city, township, and county governments;
- 31.6 (11) the Department of Transportation;
- 31.7 (12) the University of Minnesota Extension;
- 31.8 (13) the timber and forestry industry in Minnesota;
- 31.9 (14) the Board of Water and Soil Resources; and
- 31.10 (15) soil and water conservation districts.

31.11 Subd. 3. **Additional duties.** The committee shall conduct evaluations of terrestrial
31.12 plant species to recommend if they need to be designated as noxious weeds and into which
31.13 noxious weed classification they should be designated, advise the commissioner on the
31.14 implementation of the Minnesota Noxious Weed Law, and assist the commissioner in the
31.15 development of management criteria for each noxious weed category.

31.16 Subd. 4. **Organization.** The committee shall select a chair from its membership.
31.17 Meetings of the committee may be called by or at the direction of the commissioner or
31.18 upon direction of the chair.

31.19 Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, the committee
31.20 expires June 30, 2013.

31.21 Sec. 44. Minnesota Statutes 2008, section 18B.01, is amended by adding a subdivision
31.22 to read:

31.23 Subd. 1a. **Agricultural pesticide.** "Agricultural pesticide" means a pesticide
31.24 that bears labeling that meets federal worker protection agricultural use requirements
31.25 established in Code of Federal Regulations, title 40, parts 156 and 170.

31.26 Sec. 45. Minnesota Statutes 2008, section 18B.01, is amended by adding a subdivision
31.27 to read:

31.28 Subd. 1b. **Agricultural pesticide dealer.** "Agricultural pesticide dealer" means a
31.29 person who distributes an agricultural pesticide in the state or into the state to an end user.
31.30 This action would commonly be described as a retail sale.

31.31 Sec. 46. Minnesota Statutes 2008, section 18B.01, subdivision 8, is amended to read:

31.32 Subd. 8. **Distribute.** "Distribute" means offer for sale, sell, barter, ship, deliver for
31.33 shipment, receive and deliver, and offer to deliver pesticides in this state or into this state.

32.1 Sec. 47. Minnesota Statutes 2008, section 18B.01, is amended by adding a subdivision
32.2 to read:

32.3 Subd. 14b. **Nonagricultural pesticide.** "Nonagricultural pesticide" means a
32.4 pesticide that does not bear labeling that meets federal worker protection agricultural use
32.5 requirements established in Code of Federal Regulations, title 40, parts 156 and 170.

32.6 Sec. 48. Minnesota Statutes 2008, section 18B.065, subdivision 1, is amended to read:

32.7 Subdivision 1. **Collection and disposal.** The commissioner of agriculture shall
32.8 establish and operate a program to collect and dispose of waste pesticides. The program
32.9 must be made available to agricultural and ~~residential~~ nonagricultural pesticide end users
32.10 whose waste generating activity occurs in this state. Waste pesticide generated in another
32.11 state is not eligible for collection under this section.

32.12 Sec. 49. Minnesota Statutes 2008, section 18B.065, subdivision 2, is amended to read:

32.13 Subd. 2. **Implementation.** (a) The commissioner may obtain a United States
32.14 Environmental Protection Agency hazardous waste identification number to manage the
32.15 waste pesticides collected.

32.16 (b) The commissioner may ~~not~~ limit the type and quantity of waste pesticides
32.17 accepted for collection and may ~~not~~ assess pesticide end users for portions of the costs
32.18 incurred.

32.19 Sec. 50. Minnesota Statutes 2008, section 18B.065, subdivision 2a, is amended to read:

32.20 Subd. 2a. **Disposal site requirement.** (a) For agricultural waste pesticides, the
32.21 commissioner must designate a place in each county of the state that is available at least
32.22 every other year for persons to dispose of unused portions of agricultural pesticides. The
32.23 commissioner shall consult with the person responsible for solid waste management
32.24 and disposal in each county to determine an appropriate location and to advertise each
32.25 collection event. The commissioner may provide a collection opportunity in a county
32.26 more frequently if the commissioner determines that a collection is warranted.

32.27 (b) For ~~residential~~ nonagricultural waste pesticides, the commissioner must provide
32.28 ~~periodic~~ a disposal opportunities opportunity each year in each county.

32.29 (c) As provided under subdivision 7, the commissioner may enter into cooperative
32.30 agreements with ~~county or regional solid waste management entities~~ local units of
32.31 government to provide these the collections required under paragraph (a) or (b) and shall
32.32 provide these entities a local unit of government, as part of the cooperative agreement,

with funding for reasonable costs incurred including, but not limited to, related supplies, transportation, advertising, and disposal costs as well as reasonable overhead costs.

~~(c)~~ (d) A person who collects waste pesticide under ~~paragraph (a) or (b)~~ this section shall, on a form provided or in a method approved by the commissioner, record information on each waste pesticide product collected including, but not limited to, the quantity collected and either the product name, and its active ingredient or ingredients, quantity, and or the United States Environmental Protection Agency registration number, on a form provided by the commissioner. The person must submit this information to the commissioner at least annually by January 30.

Sec. 51. Minnesota Statutes 2008, section 18B.065, subdivision 3, is amended to read:

Subd. 3. **Information and; education; report.** (a) The commissioner shall provide informational and educational materials regarding waste pesticides and the proper management of waste pesticides to the public.

(b) No later than March 15 each year, the commissioner must report the following to the legislative committees with jurisdiction over agriculture finance:

(1) each instance of a refusal to collect waste pesticide or the assessment of a fee to a pesticide end user as authorized in subdivision 2, paragraph (b); and

(2) waste pesticide collection information including a discussion of the type and quantity of waste pesticide collected by the commissioner and any entity collecting waste pesticide under subdivision 7 during the previous calendar year, a summary of waste pesticide collection trends, and any corresponding program recommendations.

Sec. 52. Minnesota Statutes 2008, section 18B.065, subdivision 7, is amended to read:

Subd. 7. **Cooperative agreements.** (a) The commissioner may enter into cooperative agreements with state agencies and local units of government for administration of the waste pesticide collection program. The commissioner shall ensure that the program is carried out in all counties. If the commissioner cannot contract with another party to administer the program in a county, the commissioner shall perform collections according to the provisions of this section.

(b) The commissioner, according to the terms of a cooperative agreement between the commissioner and a local unit of government, may establish limits for unusual types or excessive quantities of waste pesticide offered by pesticide end users to the local unit of government.

34.1 Sec. 53. Minnesota Statutes 2008, section 18B.065, is amended by adding a
34.2 subdivision to read:

34.3 Subd. 8. **Waste pesticide program surcharge.** The commissioner shall annually
34.4 collect a waste pesticide program surcharge of \$50 on each pesticide product registered
34.5 in the state as part of a pesticide product registration application under section 18B.26,
34.6 subdivision 3.

34.7 Sec. 54. Minnesota Statutes 2008, section 18B.065, is amended by adding a
34.8 subdivision to read:

34.9 Subd. 9. **Waste pesticide cooperative agreement account.** (a) A waste pesticide
34.10 cooperative agreement account is created in the agricultural fund. Notwithstanding section
34.11 18B.05, the proceeds of surcharges imposed under subdivision 8 must be deposited in the
34.12 agricultural fund and credited to the waste pesticide cooperative agreement account.

34.13 (b) Money in the waste pesticide cooperative agreement account, including interest,
34.14 is appropriated to the commissioner and may only be used for costs incurred under a
34.15 cooperative agreement pursuant to this section.

34.16 (c) Notwithstanding paragraph (b), if the amount available in the waste pesticide
34.17 cooperative agreement account in any fiscal year exceeds the amount obligated to local
34.18 units of government under subdivision 7, the excess is appropriated to the commissioner
34.19 to perform waste pesticide collections under this section.

34.20 Sec. 55. Minnesota Statutes 2008, section 18B.26, subdivision 1, is amended to read:

34.21 Subdivision 1. **Requirement.** (a) Except as provided in paragraphs (b) to (d), a
34.22 person may not use or distribute a pesticide in this state unless it is registered with the
34.23 commissioner. Pesticide registrations expire on December 31 of each year and may be
34.24 renewed on or before that date for the following calendar year.

34.25 (b) Registration is not required if a pesticide is shipped from one plant or warehouse
34.26 to another plant or warehouse operated by the same person and used solely at the plant
34.27 or warehouse as an ingredient in the formulation of a pesticide that is registered under
34.28 this chapter.

34.29 (c) An unregistered pesticide that was previously registered with the commissioner
34.30 may be used for a period of two years following the cancellation of the registration of the
34.31 pesticide, unless the commissioner determines that the continued use of the pesticide
34.32 would cause unreasonable adverse effects on the environment, or with the written
34.33 permission of the commissioner. To use the unregistered pesticide at any time after
34.34 the two-year period, the pesticide end user must demonstrate to the satisfaction of the

commissioner, if requested, that the pesticide has been continuously registered under a different brand name or by a different manufacturer and has similar composition, or, the pesticide end user obtains the written permission of the commissioner.

(d) The commissioner may allow specific pesticide products that are not registered with the commissioner to be distributed in this state for use in another state.

(e) Each pesticide with a unique United States Environmental Protection Agency pesticide registration number or a unique brand name must be registered with the commissioner.

(f) It is unlawful for a person to distribute or use a pesticide in the state, or to sell into the state for use in the state, any pesticide product that has not been registered by the commissioner and for which the applicable pesticide registration application fee, gross sales fee, or waste pesticide program surcharge is not paid pursuant to subdivisions 3 and 4.

(g) Every person who sells for use in the state a pesticide product that has been registered by the commissioner shall pay to the commissioner the applicable registration application fees, sales fees, and waste pesticide program surcharges. These sales expressly include all sales made electronically, telephonically, or by any other means that result in a pesticide product being shipped to or used in the state. There is a rebuttable presumption that pesticide products that are sold or distributed in or into the state by any person are sold or distributed for use in the state.

Sec. 56. Minnesota Statutes 2008, section 18B.26, subdivision 3, is amended to read:

Subd. 3. **Registration application and gross sales fee.** (a) For an agricultural pesticide, a registrant shall pay an annual registration application fee for each agricultural pesticide to be registered, and this fee is set at 0.4 percent of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of \$250 \$350. The fee is due by December 31 preceding the year for which the application for registration is made. The fee is nonrefundable.

~~The registrant shall determine when and which pesticides are sold or used in this state.~~ (b) For a nonagricultural pesticide, a registrant shall pay a minimum annual registration application fee for each nonagricultural pesticide of \$350. The fee is due by December 31 preceding the year for which the application for registration is made. The fee is nonrefundable. The registrant of a nonagricultural pesticide shall pay, in addition to the \$350 minimum fee, a fee of 0.5 percent of annual gross sales of the nonagricultural pesticide in the state and the annual gross sales of the nonagricultural pesticide sold into the state for use in this state. The commissioner may not assess a fee under this paragraph if the amount due based on percent of annual gross sales is less than \$10. The registrant

shall secure sufficient sales information of nonagricultural pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of nonagricultural pesticides in this state and sales of nonagricultural pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (e) (g), and fees shall be paid by the registrant based upon those reported sales. Sales of nonagricultural pesticides in the state for use outside of the state are exempt from the ~~application gross sales~~ fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the nonagricultural pesticide by the registrant for the preceding calendar year. ~~The fee for disinfectants and sanitizers shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for registration is made. In each fiscal year, the commissioner shall allocate from the pesticide regulatory account a sum sufficient to collect and dispose of waste pesticides under section 18B.065. However, notwithstanding section 18B.065, if the commissioner determines that the balance in the pesticide regulatory account at the end of the fiscal year will be less than \$500,000, the commissioner may suspend waste pesticide collections or provide partial payment to a person for waste pesticide collection. The commissioner must notify as soon as possible and no later than August 1 a person under contract to collect waste pesticides of an anticipated suspension or payment reduction. A pesticide determined by the commissioner to be a sanitizer or disinfectant is exempt from the gross sales fee.~~

(c) For agricultural pesticides, a licensed agricultural pesticide dealer or licensed pesticide dealer shall pay a gross sales fee of 0.55 percent of annual gross sales of the agricultural pesticide in the state and the annual gross sales of the agricultural pesticide sold into the state for use in this state.

(d) In those cases where a registrant first sells an agricultural pesticide in or into the state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer license and is responsible for payment of the annual gross sales fee under paragraph (c), record keeping under paragraph (i), and all other requirements of section 18B.316.

(e) If the total annual revenue from fees collected in fiscal year 2011, 2012, or 2013, by the commissioner on the registration and sale of pesticides is less than \$6,600,000, the commissioner, after a public hearing, may increase proportionally the pesticide sales and product registration fees under this chapter by the amount necessary to ensure this level of revenue is achieved. The authority under this section expires on June 30, 2014. The commissioner shall report any fee increases under this paragraph 60 days before the fee change is effective to the senate and house of representatives agriculture budget divisions.

~~(b)~~ (f) An additional fee of ~~\$100~~ 50 percent of the registration application fee must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

~~(c)~~ (g) A registrant must annually report to the commissioner the amount ~~and~~ type and annual gross sales of each registered nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report or approve the method for submittal of the report and may require additional information deemed necessary to determine the amount and type of pesticides nonagricultural pesticide annually distributed in the state. The information required shall include the brand name, United States Environmental Protection Agency registration number and amount; ~~and formulation~~ of each nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

(h) A licensed agricultural pesticide dealer or licensed pesticide dealer must annually report to the commissioner the amount, type, and annual gross sales of each registered agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the state for use in the state. The report must be filed by January 31 for the previous year's sales. The commissioner shall specify the form, contents, and approved electronic method for submittal of the report and may require additional information deemed necessary to determine the amount and type of agricultural pesticide annually distributed within the state or into the state. The information required must include the brand name, United States Environmental Protection Agency registration number, and amount of each agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the state.

(i) A person who registers a pesticide with the commissioner under paragraph (b), or a registrant under paragraph (d), shall keep accurate records for five years detailing all distribution or sales transactions into the state or in the state and subject to a fee and surcharge under this section.

(j) The records are subject to inspection, copying, and audit by the commissioner and must clearly demonstrate proof of payment of all applicable fees and surcharges for each registered pesticide product sold for use in this state. A person who is located outside of this state must maintain and make available records required by this subdivision in this state or pay all costs incurred by the commissioner in the inspecting, copying, or auditing of the records.

(k) The commissioner may adopt by rule regulations that require persons subject to audit under this section to provide information determined by the commissioner to be necessary to enable the commissioner to perform the audit.

~~(d)~~ (l) A registrant who is required to pay more than the minimum fee for any pesticide under paragraph ~~(a)~~ (b) must pay a late fee penalty of \$100 for each pesticide application fee paid after March 1 in the year for which the license is to be issued.

EFFECTIVE DATE. The pesticide registration fee changes apply to pesticides registered on or after July 1, 2009. The remaining provisions of this section apply to pesticide sales that occur on or after January 1, 2010.

Sec. 57. Minnesota Statutes 2008, section 18B.31, subdivision 3, is amended to read:

Subd. 3. **License.** A pesticide dealer license:

(1) is issued by the commissioner upon receipt and review of a complete initial or renewal application;

(2) is valid for one year and expires on ~~December~~ January 31 of each year unless it is suspended or revoked before that date;

~~(2)~~ (3) is not transferable to another location; and

~~(3)~~ (4) must be prominently displayed to the public in the pesticide dealer's place of business.

Sec. 58. Minnesota Statutes 2008, section 18B.31, subdivision 4, is amended to read:

Subd. 4. **Application.** (a) A person must apply to the commissioner for a pesticide dealer license on the forms and in the manner required by the commissioner.

(b) The commissioner may require an additional demonstration of dealer qualification if the dealer has had a license suspended or revoked, or has otherwise had a history of violations of this chapter.

(c) An application for renewal of a pesticide dealer license is not complete until the commissioner receives the report and applicable fees required under section 18B.316, subdivision 8.

EFFECTIVE DATE. This section is effective January 1, 2010.

Sec. 59. **[18B.316] AGRICULTURAL PESTICIDE DEALER LICENSE AND REPORTING.**

39.1 Subdivision 1. **Requirement.** (a) A person must not distribute or sell an agricultural
39.2 pesticide in the state or into the state without first obtaining an agricultural pesticide
39.3 dealer license.

39.4 (b) Each location or place of business from which an agricultural pesticide is
39.5 distributed or sold in the state or into the state is required to have a separate agricultural
39.6 pesticide dealer license.

39.7 (c) A person who is a licensed pesticide dealer under section 18B.31 is not required
39.8 to also be licensed under this subdivision.

39.9 Subd. 2. **Exemption.** A person who is a pesticide registrant under provisions of this
39.10 chapter is exempt from the requirement of subdivision 1, except in those cases where a
39.11 registrant first sells an agricultural pesticide in or into the state to a pesticide end user, the
39.12 registrant must first obtain an agricultural pesticide dealer license.

39.13 Subd. 3. **Resident agent.** A person required to be licensed under subdivisions 1 and
39.14 2, or a person licensed as a pesticide dealer pursuant to section 18B.31 and who operates
39.15 from a location or place of business outside the state and who distributes or sells an
39.16 agricultural pesticide into the state, must continuously maintain in this state the following:

39.17 (1) a registered office; and

39.18 (2) a registered agent, who may be either a resident of this state whose business
39.19 office or residence is identical with the registered office under clause (1), a domestic
39.20 corporation or limited liability company, or a foreign corporation of limited liability
39.21 company authorized to transact business in this state and having a business office identical
39.22 with the registered office.

39.23 A person licensed under this section or section 18B.31 shall annually file with the
39.24 commissioner, either at the time of initial licensing or as part of license renewal, the name,
39.25 address, telephone number, and e-mail address of the licensee's registered agent.

39.26 For licensees under section 18B.31 who are located in the state, the licensee is
39.27 the registered agent.

39.28 Subd. 4. **Responsibility.** The resident agent is responsible for the acts of a licensed
39.29 agricultural pesticide dealer, or of a licensed pesticide dealer under section 18B.31 who
39.30 operates from a location or place of business outside the state and who distributes or
39.31 sells an agricultural pesticide into the state, as well as the acts of the employees of those
39.32 licensees.

39.33 Subd. 5. **Records.** A person licensed as an agricultural pesticide dealer, or a person
39.34 licensed as a pesticide dealer pursuant to section 18B.31, must maintain for five years at the
39.35 person's principal place of business accurate records of purchases, sales, and distributions

of agricultural pesticides in and into this state, including those of its branch locations. The records shall be made available for audit under provisions of this chapter and chapter 18D.

Subd. 6. **Agricultural pesticide sales invoices.** Sales invoices for agricultural pesticides sold in or into this state by a licensed agricultural pesticide dealer or a pesticide dealer under this section must show the percent of gross sales fee rate assessed and the gross sales fee paid under section 18B.26, subdivision 3, paragraph (c). Only the person who actually will pay the gross sales fee may show the rate or the amount of the fee as a line item on the sales invoice.

Subd. 7. **License.** An agricultural pesticide dealer license:

(1) is issued by the commissioner upon receipt and review of a complete initial or renewal application;

(2) is valid for one year and expires on January 31 of each year;

(3) is not transferable from one location or place of business to another location or place of business; and

(4) must be prominently displayed to the public in the agricultural pesticide dealer's place of business and in the registered office of the resident agent.

Subd. 8. **Report of sales and payment to the commissioner.** A person who is an agricultural pesticide dealer, or is a licensed pesticide dealer under section 18B.31, who distributes or sells an agricultural pesticide in or into the state, and a pesticide registrant pursuant to section 18B.26, subdivision 3, paragraph (d), shall no later than January 31 of each year report and pay applicable fees on annual gross sales of agricultural pesticides to the commissioner pursuant to requirements under section 18B.26, subdivision 3, paragraphs (c) and (h).

Subd. 9. **Application.** (a) A person must apply to the commissioner for an agricultural pesticide dealer license on forms and in a manner approved by the commissioner.

(b) The applicant must be the person in charge of each location or place of business from which agricultural pesticides are distributed or sold in or into the state.

(c) The commissioner may require that the applicant provide information regarding the applicant's proposed operations and other information considered pertinent by the commissioner.

(d) The commissioner may require additional demonstration of licensee qualification if the licensee has had a license suspended or revoked, or has otherwise had a history of violations in another state or violations of this chapter.

(e) A licensed agricultural pesticide dealer who changes the dealer's address or place of business must immediately notify the commissioner of the change.

(f) Beginning January 1, 2011, an application for renewal of an agricultural pesticide dealer license is complete only when a report and any applicable payment of fees under subdivision 8 are received by the commissioner.

Subd. 10. Application fee. (a) An application for an agricultural pesticide dealer license, or a renewal of an agricultural pesticide dealer license, must be accompanied by a nonrefundable fee of \$150.

(b) If an application for renewal of an agricultural pesticide dealer license is not filed before January of the year for which the license is to be issued, an additional fee of 50 percent of the application fee must be paid by the applicant before the commissioner may issue the license.

Sec. 60. **[18B.346] PESTICIDE APPLICATION ON RAILROAD PROPERTY.**

Subdivision 1. Applicability. This section applies only to common carrier railroads.

Subd. 2. Safety information. (a) In coordination with common carrier railroad companies operating in this state, the commissioner shall provide annual pesticide safety outreach opportunities for railroad employees.

(b) A common carrier railroad that operates in this state must provide annual employee pesticide safety training opportunities.

Subd. 3. Pesticide applications. (a) A person may not directly apply a restricted use pesticide to occupied or unoccupied locomotives, track repair equipment, or on-track housing units unless the pesticide is specifically labeled for that use.

(b) Employees of common carrier railroads must not be required to work in affected areas in a manner that is inconsistent with the pesticide label.

Subd. 4. Misuse reporting. A common carrier railroad or a commercial applicator hired by the common carrier railroad to apply pesticide must report to the commissioner within four hours, or as soon as practicable, any pesticide misuse known to the railroad company or commercial applicator that occurred on railroad property or to other property under the control of the railroad company. For the purposes of this section, "misuse" means a pesticide application that violates subdivision 3 or any provision in section 18B.07.

Sec. 61. Minnesota Statutes 2008, section 18B.37, subdivision 1, is amended to read:

Subdivision 1. Pesticide dealer. (a) A pesticide dealer must maintain records of all sales of restricted use pesticides as required by the commissioner. Records must be kept at the time of sale on forms supplied by the commissioner or on the pesticide dealer's forms if they are approved by the commissioner.

(b) Records must be submitted ~~annually with the renewal application for a pesticide dealer license or~~ upon request of the commissioner.

(c) Copies of records required under this subdivision must be maintained by the pesticide dealer for a period of five years after the date of the pesticide sale.

Sec. 62. Minnesota Statutes 2008, section 18C.415, subdivision 3, is amended to read:

Subd. 3. **Effective period.** ~~Other~~ Licenses are for the period from January 1 to the following December 31 and must be renewed annually by the licensee before January 1. A license is not transferable from one person to another, from the ownership to whom issued to another ownership, or from one location to another location.

Sec. 63. Minnesota Statutes 2008, section 18C.421, is amended to read:

18C.421 DISTRIBUTOR'S TONNAGE REPORT.

Subdivision 1. ~~Semiannual statement~~ **Annual tonnage report.** (a) Each ~~licensed distributor of fertilizer and each registrant of a specialty fertilizer, soil amendment, or plant amendment must file a semiannual statement for the periods ending December 31 and June 30 with the commissioner on forms furnished by the commissioner stating the number of net tons and grade of each raw fertilizer material distributed or the number of net tons of each brand or grade of fertilizer, soil amendment, or plant amendment~~ registrant under section 18C.411 and licensee under section 18C.415 shall file an annual tonnage report for the previous year ending June 30 with the commissioner, on forms provided or approved by the commissioner, stating the number of net tons of each brand or grade of fertilizer, soil amendment, or plant amendment distributed in this state or the number of net tons and grade of each raw fertilizer material distributed in this state during the reporting period.

(b) ~~A tonnage reports are report is not required to be filed with~~ submitted and an inspection fee under section 18C.425, subdivision 6, is not required to be paid to the commissioner from licensees by a licensee who distributed distributes fertilizer solely by custom application.

~~(c) A report from a licensee who sells to an ultimate consumer must be accompanied by records or invoice copies indicating the name of the distributor who paid the inspection fee, the net tons received, and the grade or brand name of the products received.~~

~~(d)~~ (c) ~~The annual tonnage report is due~~ must be submitted to the commissioner on or before the last day of the month following the close of each reporting period July 31 of each calendar year.

~~(e)~~ (d) The inspection fee at the rate stated in section 18C.425, subdivision 6, must accompany the statement.

Subd. 2. **Additional reports.** The commissioner may by rule require additional reports for the purpose of gathering statistical data relating to fertilizer, soil amendments, and plant amendments distribution in the state.

Subd. 3. **Late annual report and inspection fee penalty.** (a) ~~If a distributor does not file the semiannual statement~~ registrant or licensee fails to submit an annual tonnage report or pay the inspection fees fee under section 18C.425, subdivision 6, by 31 days after the end of the reporting period July 31, the commissioner shall assess the registrant or licensee a penalty of the greater of ~~\$25~~ \$50 or ten percent of the amount due ~~against the licensee or registrant.~~

(b) The fees due, plus the penalty, may be recovered in a civil action against the licensee or registrant.

(c) The assessment of the penalty does not prevent the commissioner from taking other actions as provided in this chapter and sections 18D.301 to 18D.331.

~~Subd. 4. **Responsibility for inspection fees.** If more than one person is involved in the distribution of a fertilizer, soil amendment, or plant amendment, the distributor who imports, manufactures, or produces the fertilizer or who has the specialty fertilizer, soil amendment, or plant amendment registered is responsible for the inspection fee on products produced or brought into this state. The distributor must separately list the inspection fee on the invoice to the licensee. The last licensee must retain the invoices showing proof of inspection fees paid for three years and must pay the inspection fee on products brought into this state before July 1, 1989, unless the reporting and paying of fees have been made by a prior distributor of the fertilizer.~~

Subd. 5. **Verification of ~~statements~~ annual tonnage report.** The commissioner may verify the records on which the ~~statement of~~ annual tonnage report is based.

Sec. 64. Minnesota Statutes 2008, section 18C.425, subdivision 4, is amended to read:

Subd. 4. **Fee for late application.** If an application for renewal of a ~~fertilizer license or registration of a specialty fertilizer, soil amendment, or plant amendment~~ under section 18C.411 or a license under section 18C.415 is ~~not filed before January 1 or July 1 of a year, as required~~ submitted to the commissioner after December 31, an additional ~~application~~ late fee of one-half of the amount due must be paid in addition to the application fee before the renewal license or registration may be issued.

Sec. 65. Minnesota Statutes 2008, section 18C.425, subdivision 6, is amended to read:

Subd. 6. **Payment of inspection fees fee.** (a) The person who registers and distributes in the state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall pay the inspection fee to the commissioner.

(b) The person licensed under section 18C.415 who distributes a fertilizer to a person not required to be so licensed shall pay the inspection fee to the commissioner, except as exempted under section 18C.421, subdivision 1, paragraph (b).

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of 30 cents per ton, and until June 30, 2019, an additional 40 cents per ton, of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

(d) A registrant or licensee must retain invoices showing proof of fertilizer, plant amendment, or soil amendment distribution amounts and inspection fees paid for a period of three years.

Sec. 66. Minnesota Statutes 2008, section 18E.03, subdivision 2, is amended to read:

Subd. 2. **Expenditures.** (a) Money in the agricultural chemical response and reimbursement account may only be used:

(1) to pay for the commissioner's responses to incidents under chapters 18B, 18C, and 18D that are not eligible for payment under section 115B.20, subdivision 2;

(2) to pay for emergency responses that are otherwise unable to be funded;

(3) to reimburse and pay corrective action costs under section 18E.04; and

(4) ~~by the board~~ to reimburse the commissioner for board staff and other administrative costs and the commissioner's incident response program costs related to eligible incident sites, up to \$225,000 \$450,000 per fiscal year.

(b) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments as provided in this subdivision.

Sec. 67. Minnesota Statutes 2008, section 18E.03, subdivision 4, is amended to read:

Subd. 4. **Fee.** (a) The response and reimbursement fee consists of the surcharges and any adjustments made by the commissioner in this subdivision and shall be collected by the commissioner. The amount of the response and reimbursement fee shall be determined and imposed annually by the commissioner as required to satisfy the requirements in subdivision 3. The commissioner shall adjust the amount of the surcharges imposed in

proportion to the amount of the surcharges listed in this subdivision. License application categories under paragraph (d) must be charged in proportion to the amount of surcharges imposed up to a maximum of 50 percent of the license fees set under chapters 18B and 18C.

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the ~~registration application fee~~ gross sales under section 18B.26, subdivision 3, that is equal to 0.1 percent of sales of the pesticide in the state and sales of pesticides for use in the state during the previous calendar year, except the surcharge may not be imposed on pesticides that are sanitizers or disinfectants as determined by the commissioner. No surcharge is required if the surcharge amount based on percent of annual gross sales is less than \$10. ~~The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under section 18B.26, subdivision 3, paragraph (c), and fees shall be paid by the registrant based upon those reported sales.~~ Sales of pesticides in the state for use outside of the state are exempt from the surcharge in this paragraph if the registrant, agricultural pesticide dealer, or pesticide dealer properly documents the sale location and the distributors.

(c) The commissioner shall impose a ten cents per ton surcharge on the inspection fee under section 18C.425, subdivision 6, for fertilizers, soil amendments, and plant amendments.

(d) The commissioner shall impose a surcharge on the license application of persons licensed under chapters 18B and 18C consisting of:

(1) a \$75 surcharge for each site where pesticides are stored or distributed, to be imposed as a surcharge on pesticide dealer application fees under section 18B.31, subdivision 5, and the agricultural pesticide dealer application fee under section 18B.316, subdivision 10;

(2) a \$75 surcharge for each site where a fertilizer, plant amendment, or soil amendment is distributed, to be imposed on persons licensed under sections 18C.415 and 18C.425;

(3) a \$50 surcharge to be imposed on a structural pest control applicator license application under section 18B.32, subdivision 6, for business license applications only;

(4) a \$20 surcharge to be imposed on commercial applicator license application fees under section 18B.33, subdivision 7; and

(5) a \$20 surcharge to be imposed on noncommercial applicator license application fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a noncommercial applicator that is a state agency, political subdivision of the state, the federal government, or an agency of the federal government.

(e) A \$1,000 fee shall be imposed on each site where pesticides are stored and sold for use outside of the state unless:

(1) the distributor properly documents that it has less than \$2,000,000 per year in wholesale value of pesticides stored and transferred through the site; or

(2) the registrant pays the surcharge under paragraph (b) and the registration fee under section 18B.26, subdivision 3, for all of the pesticides stored at the site and sold for use outside of the state.

(f) Paragraphs (c) to (e) apply to sales, licenses issued, applications received for licenses, and inspection fees imposed on or after July 1, 1990.

EFFECTIVE DATE. The change to paragraph (b) is effective January 1, 2010.

Sec. 68. Minnesota Statutes 2008, section 18E.06, is amended to read:

18E.06 REPORT.

By December 1 of each year, the Agricultural Chemical Response Compensation Board and the commissioner shall submit to the house of representatives Committee on Ways and Means, the senate Committee on Finance, the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture, and the Environmental Quality Board a report detailing the board's activities and reimbursements and the expenditures and activities associated with the commissioner's incident response program for which money from the account has been spent during the previous year.

Sec. 69. Minnesota Statutes 2008, section 18H.02, subdivision 12a, is amended to read:

Subd. 12a. **Individual Dormant.** ~~"Individual" means a human being.~~ **"Dormant" means nursery stock without etiolated growth.**

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 70. Minnesota Statutes 2008, section 18H.02, is amended by adding a subdivision to read:

Subd. 12b. **Etiolated growth.** **"Etiolated growth" means bleached and unnatural growth resulting from the exclusion of sunlight.**

47.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

47.2 Sec. 71. Minnesota Statutes 2008, section 18H.02, is amended by adding a subdivision
47.3 to read:

47.4 Subd. 12c. **Individual.** "Individual" means a human being.

47.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

47.6 Sec. 72. Minnesota Statutes 2008, section 18H.02, is amended by adding a subdivision
47.7 to read:

47.8 Subd. 24a. **Packaged stock.** "Packaged stock" means bare root nursery stock
47.9 packed with the roots in moisture-retaining material encased in plastic film or other
47.10 material designed to hold the moisture-retaining material in place.

47.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

47.12 Sec. 73. Minnesota Statutes 2008, section 18H.07, subdivision 2, is amended to read:

47.13 Subd. 2. **Nursery stock grower certificate.** (a) A nursery stock grower must
47.14 pay an annual fee based on the area of all acreage on which nursery stock is grown for
47.15 certification as follows:

- 47.16 (1) less than one-half acre, \$150;
47.17 (2) from one-half acre to two acres, \$200;
47.18 (3) over two acres up to five acres, \$300;
47.19 (4) over five acres up to ten acres, \$350;
47.20 (5) over ten acres up to 20 acres, \$500;
47.21 (6) over 20 acres up to 40 acres, \$650;
47.22 (7) over 40 acres up to 50 acres, \$800;
47.23 (8) over 50 acres up to 200 acres, \$1,100;
47.24 (9) over 200 acres up to 500 acres, \$1,500; and
47.25 (10) over 500 acres, \$1,500 plus \$2 for each additional acre.

47.26 (b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee
47.27 due must be charged for each month, or portion thereof, that the fee is delinquent up
47.28 to a maximum of 30 percent for any application for renewal not received by January 1
47.29 postmarked by December 31 of the current year following expiration of a certificate.

47.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

47.31 Sec. 74. Minnesota Statutes 2008, section 18H.07, subdivision 3, is amended to read:

Subd. 3. **Nursery stock dealer certificate.** (a) A nursery stock dealer must pay an annual fee based on the dealer's gross sales of certified nursery stock per location during the most recent certificate year. A certificate applicant operating for the first time must pay the minimum fee. The fees per sales location are:

- (1) gross sales up to \$5,000, \$150;
- (2) gross sales over \$5,000 up to \$20,000, \$175;
- (3) gross sales over \$20,000 up to \$50,000, \$300;
- (4) gross sales over \$50,000 up to \$75,000, \$425;
- (5) gross sales over \$75,000 up to \$100,000, \$550;
- (6) gross sales over \$100,000 up to \$200,000, \$675; and
- (7) gross sales over \$200,000, \$800.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not received by January 1 ~~postmarked by December 31 of the current year following expiration of a certificate.~~

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 75. Minnesota Statutes 2008, section 18H.09, is amended to read:

18H.09 NURSERY STOCK CERTIFICATION REQUIREMENTS.

(a) All nursery stock growing at sites identified by nursery stock dealers or nursery stock growers and submitted for inspection must be inspected by the commissioner within the previous 12 months prior to sale and found apparently free from quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially damaging plant pests. The commissioner may waive a site inspection under the following conditions:

- (1) the nursery stock is not going to be sold within 12 months;
- (2) the nursery stock will not be moved out of Minnesota; and
- (3) the nursery site or stock is not subject to certification requirements associated with a state or federally regulated or quarantined plant pest.

All nursery stock originating from out of state and offered for sale in Minnesota must have been inspected by the appropriate state or federal agency during the previous 12 months and found free from quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially damaging plant pests. A nursery stock certificate is valid from January 1 to December 31.

(b) Nursery stock must be accessible to the commissioner for inspection during regular business hours. Weeds or other growth that hinder a proper inspection are grounds to suspend or withhold a certificate or require a reinspection.

(c) Inspection reports issued to growers must contain a list of the plant pests found at the time of inspection. Withdrawal-from-distribution orders are considered part of the inspection reports. A withdrawal-from-distribution order must contain a list of plants withdrawn from distribution and the location of the plants.

(d) The commissioner may post signs to delineate sections withdrawn from distribution. These signs must remain in place until the commissioner removes them or grants written permission to the grower to remove the signs.

(e) Inspection reports issued to dealers must outline the violations involved and corrective actions to be taken including withdrawal-from-distribution orders which would specify nursery stock that could not be distributed from a certain area.

(f) Optional inspections of plants may be conducted by the commissioner upon request by any persons desiring an inspection. A fee as provided in section 18H.07 must be charged for such an inspection.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 76. Minnesota Statutes 2008, section 18H.10, is amended to read:

18H.10 STORAGE OF NURSERY STOCK.

All nursery stock must be kept and displayed under conditions of temperature, light, and moisture sufficient to maintain the viability and vigor of the nursery stock. Packaged dormant nursery stock must be stored under conditions that retard growth, prevent etiolated growth, and protect its viability.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 77. Minnesota Statutes 2008, section 28A.085, subdivision 1, is amended to read:

Subdivision 1. **Violations; prohibited acts.** The commissioner may charge a reinspection fee for each reinspection of a food handler that:

(1) is found with a major violation of requirements in chapter 28, 29, 30, 31, 31A, 32, 33, or 34, or rules adopted under one of those chapters;

(2) is found with a violation of section 31.02, 31.161, or 31.165, and requires a follow-up inspection after an administrative meeting held pursuant to section 31.14; or

(3) fails to correct equipment and facility deficiencies as required in rules adopted under chapter 28, 29, 30, 31, 31A, 32, or 34. The first reinspection of a firm with gross

50.1 food sales under \$1,000,000 must be assessed at ~~\$75~~ \$150. The fee for a firm with gross
50.2 food sales over \$1,000,000 is ~~\$100~~ \$200. The fee for a subsequent reinspection of a firm
50.3 for the same violation is 50 percent of their current license fee or ~~\$200~~ \$300, whichever is
50.4 greater. The establishment must be issued written notice of violations with a reasonable
50.5 date for compliance listed on the notice. An initial inspection relating to a complaint is
50.6 not a reinspection.

50.7 Sec. 78. Minnesota Statutes 2008, section 28A.21, subdivision 5, is amended to read:

50.8 Subd. 5. **Duties.** The task force shall:

50.9 (1) coordinate educational efforts regarding food safety and defense;

50.10 (2) provide advice and coordination to state agencies as requested by the agencies;

50.11 (3) serve as a source of information and referral for the public, news media, and
50.12 others concerned with food safety and defense; and

50.13 (4) make recommendations to Congress, the legislative committees with jurisdiction
50.14 over agriculture finance and policy, the legislature, and others about appropriate action to
50.15 improve food safety and defense in the state.

50.16 Sec. 79. Minnesota Statutes 2008, section 31.94, is amended to read:

50.17 **31.94 COMMISSIONER DUTIES.**

50.18 (a) In order to promote opportunities for organic agriculture in Minnesota, the
50.19 commissioner shall:

50.20 (1) survey producers and support services and organizations to determine
50.21 information and research needs in the area of organic agriculture practices;

50.22 (2) work with the University of Minnesota to demonstrate the on-farm applicability
50.23 of organic agriculture practices to conditions in this state;

50.24 (3) direct the programs of the department so as to work toward the promotion of
50.25 organic agriculture in this state;

50.26 (4) inform agencies of how state or federal programs could utilize and support
50.27 organic agriculture practices; and

50.28 (5) work closely with producers, the University of Minnesota, the Minnesota Trade
50.29 Office, and other appropriate organizations to identify opportunities and needs as well
50.30 as ensure coordination and avoid duplication of state agency efforts regarding research,
50.31 teaching, marketing, and extension work relating to organic agriculture.

50.32 (b) By November 15 of each even-numbered year the commissioner, in conjunction
50.33 with the task force created in paragraph (c), shall report on the status of organic

51.1 agriculture in Minnesota to the legislative policy and finance committees and divisions
51.2 with jurisdiction over agriculture. The report must include:

51.3 (1) a description of current state or federal programs directed toward organic
51.4 agriculture, including significant results and experiences of those programs;

51.5 (2) a description of specific actions the department of agriculture is taking in the
51.6 area of organic agriculture, including the proportion of the department's budget spent on
51.7 organic agriculture;

51.8 (3) a description of current and future research needs at all levels in the area of
51.9 organic agriculture;

51.10 (4) suggestions for changes in existing programs or policies or enactment of new
51.11 programs or policies that will affect organic agriculture;

51.12 (5) a description of market trends and potential for organic products;

51.13 (6) available information, using currently reliable data, on the price received, yield,
51.14 and profitability of organic farms, and a comparison with data on conventional farms; and

51.15 (7) available information, using currently reliable data, on the positive and negative
51.16 impacts of organic production on the environment and human health.

51.17 (c) ~~The commissioner shall appoint~~ A Minnesota Organic Advisory Task Force ~~to~~
51.18 shall advise the commissioner and the University of Minnesota on policies and practices
51.19 to programs that will improve organic agriculture in Minnesota, including how available
51.20 resources can most effectively be used for outreach, education, research, and technical
51.21 assistance that meet the needs of the organic agriculture community. The task force must
51.22 consist of the following residents of the state:

51.23 (1) three farmers using organic agriculture methods;

51.24 (2) ~~two organic food wholesalers, retailers, or distributors~~ one wholesaler or
51.25 distributor of organic products;

51.26 (3) one representative of organic ~~food~~ certification agencies;

51.27 (4) two organic ~~food~~ processors;

51.28 (5) one representative from ~~the~~ University of Minnesota Extension Service;

51.29 (6) ~~one representative from a~~ University of Minnesota postsecondary research
51.30 institution faculty member;

51.31 (7) one representative from a nonprofit organization representing producers;

51.32 (8) ~~one~~ two at-large public member members;

51.33 (9) one representative from the United States Department of Agriculture; ~~and~~

51.34 (10) one retailer of organic products; and

51.35 ~~(10)~~ (11) one organic consumer representative.

52.1 The commissioner, in consultation with the director of the Minnesota Agricultural
52.2 Experiment Station; the dean and director of University of Minnesota Extension; and the
52.3 dean of the College of Food, Agricultural and Natural Resource Sciences shall appoint
52.4 members to serve staggered two-year terms.

52.5 ~~Terms~~, Compensation, and removal of members are governed by section 15.059,
52.6 subdivision 6. The task force must meet at least twice each year and expires on June
52.7 30, ~~2009~~ 2013.

52.8 (d) For the purposes of expanding, improving, and developing production and
52.9 marketing of the organic products of Minnesota agriculture, the commissioner may
52.10 receive funds from state and federal sources and spend them, including through grants or
52.11 contracts, to assist producers and processors to achieve certification, to conduct education
52.12 or marketing activities, to enter into research and development partnerships, or to address
52.13 production or marketing obstacles to the growth and well-being of the industry.

52.14 (e) The commissioner may facilitate the registration of state organic production
52.15 and handling operations including those exempt from organic certification according to
52.16 Code of Federal Regulations, title 7, section 205.101, and certification agents operating
52.17 within the state.

52.18 **EFFECTIVE DATE.** This section is effective June 30, 2009.

52.19 Sec. 80. **[31.97] FEEDING MINNESOTA TASK FORCE.**

52.20 Subdivision 1. **Establishment; purpose.** The commissioner of agriculture must
52.21 establish the Feeding Minnesota Task Force to study the consumption of Minnesota grown
52.22 produce and livestock by facilitating the donation of harvested products to charities that
52.23 provide food for hungry people. "Hungry people" must be specifically defined by the
52.24 task force by its second meeting.

52.25 Subd. 2. **Members.** The commissioner must appoint task force members as follows:

52.26 (1) one member representing a food bank organization;

52.27 (2) two members representing food producer and grower organizations;

52.28 (3) one member representing the Minnesota Farmers Market Association;

52.29 (4) one member representing Minnesota higher education institutions;

52.30 (5) one member representing the food transportation industry;

52.31 (6) two members representing statewide agricultural organizations; and

52.32 (7) one member representing food processors.

52.33 Subd. 3. **No compensation.** Task force members may not be compensated under
52.34 section 15.059, subdivision 3.

Subd. 4. **Report.** The commissioner must convene the task force no later than January 31, 2010. The commissioner must make policy recommendations to the chairs of the legislative committees with jurisdiction over agriculture finance by November 1, 2010.

Subd. 5. **Expiration.** This section expires November 1, 2010.

Sec. 81. Minnesota Statutes 2008, section 32.394, subdivision 8, is amended to read:

Subd. 8. **Grade A inspection fees.** A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market Grade A milk or use the Grade A label must apply for Grade A inspection service from the commissioner. A pasteurization plant requesting Grade A inspection service must hold a Grade A permit and pay an annual inspection fee of no more than \$500. For Grade A farm inspection service, the fee must be no more than \$50 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring a reinspection in addition to the required biannual inspections, ~~an additional fee of \$45 per reinspection~~ must be paid by the processor or by the marketing organization on behalf of its patrons. The fee for reinspection of a farm with fewer than 100 cows is \$60 per reinspection. The fee for reinspection of a farm with 100 or more cows is \$150 per reinspection.

Sec. 82. Minnesota Statutes 2008, section 41A.09, subdivision 3a, is amended to read:

Subd. 3a. **Ethanol producer payments.** (a) The commissioner shall make cash payments to producers of ethanol located in the state that have begun production at a specific location by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production, except as provided in paragraph (c), is 20 cents per gallon for each gallon of ethanol produced at a specific location on or before June 30, 2000, or ten years after the start of production, whichever is later. Annually, within 90 days of the end of its fiscal year, an ethanol producer receiving payments under this subdivision must file a disclosure statement on a form provided by the commissioner. The initial disclosure statement must include a summary description of the organization of the business structure of the claimant, a listing of the percentages of ownership by any person or other entity with an ownership interest of five percent or greater, and a copy of its annual audited financial statements, including the auditor's report and footnotes. The disclosure statement must include information demonstrating what percentage of the entity receiving payments under this section is owned by farmers or other entities eligible to farm or own agricultural land in Minnesota under the provisions of section 500.24. ~~Subsequent annual reports must reflect noncumulative changes in~~

~~ownership of ten percent or more of the entity.~~ Subsequent annual reports must affirm that majority ownership of the entity is held by farmers or other entities eligible to farm or own agricultural land under section 500.24 or individuals residing within 30 miles of the plant. The report need not disclose the identity of the persons or entities eligible to farm or own agricultural land with ownership interests, individuals residing within 30 miles of the plant, or of any other entity with less than ten percent ownership interest, but the claimant must retain information within its files confirming the accuracy of the data provided. This data must be made available to the commissioner upon request. Not later than the 15th day of February in each year the commissioner shall deliver to the chairs of the standing committees of the senate and the house of representatives that deal with agricultural policy and agricultural finance issues an annual report summarizing aggregated data from plants receiving payments under this section during the preceding calendar year. Audited financial statements and notes and disclosure statements submitted to the commissioner are nonpublic data under section 13.02, subdivision 9. Notwithstanding the provisions of chapter 13 relating to nonpublic data, summaries of the submitted audited financial reports and notes and disclosure statements will be contained in the report to the committee chairs and will be public data.

(b) No payments shall be made for ethanol production that occurs after June 30, 2010. A producer of ethanol shall not transfer the producer's eligibility for payments under this section to an ethanol plant at a different location.

(c) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant, the payment under paragraph (a) applies to the additional increment of production until ten years after the increased production began. Once a plant's production capacity reaches 15,000,000 gallons per year, no additional increment will qualify for the payment.

(d) Total payments under paragraphs (a) and (c) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol production in Minnesota during the quarter covered by the claim. For each claim and statement of total ethanol production filed under this subdivision, the volume of ethanol production must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. Except as provided in paragraph (g), the total quarterly payment to a producer under this paragraph may not exceed \$750,000.

(g) Notwithstanding the quarterly payment limits of paragraph (f), the commissioner shall make an additional payment in the fourth quarter of each fiscal year to ethanol producers for the lesser of: (1) 20 cents per gallon of production in the fourth quarter of the year that is greater than 3,750,000 gallons; or (2) the total amount of payments lost during the first three quarters of the fiscal year due to plant outages, repair, or major maintenance. Total payments to an ethanol producer in a fiscal year, including any payment under this paragraph, must not exceed the total amount the producer is eligible to receive based on the producer's approved production capacity. The provisions of this paragraph apply only to production losses that occur in quarters beginning after December 31, 1999.

(h) The commissioner shall reimburse ethanol producers for any deficiency in payments during earlier quarters if the deficiency occurred because of unallotment or because appropriated money was insufficient to make timely payments in the full amount provided in paragraph (a). Notwithstanding the quarterly or annual payment limitations in this subdivision, the commissioner shall begin making payments for earlier deficiencies in each fiscal year that appropriations for ethanol payments exceed the amount required to make eligible scheduled payments. Payments for earlier deficiencies must continue until the deficiencies for each producer are paid in full, except the commissioner shall not make a deficiency payment to an entity that no longer produces ethanol on a commercial scale at the location for which the entity qualified for producer payments; or to an assignee of the entity, or an entity that is not majority owned by farmers or other entities eligible to farm or own agricultural land under section 500.24 or individuals residing within 30 miles of the plant.

(i) The commissioner may ~~make direct payments to producers of rural economic infrastructure~~ provide financial assistance under the agricultural growth, research, and innovation program in section 41A.12 with any amount of the annual appropriation for ethanol producer payments ~~and rural economic infrastructure~~ that is in excess of the amount required to make scheduled ethanol producer payments and deficiency payments under paragraphs (a) to (h).

Sec. 83. [41A.12] AGRICULTURAL GROWTH, RESEARCH, AND INNOVATION PROGRAM.

Subdivision 1. **Establishment.** The agricultural growth, research, and innovation program is established in order to promote the advancement of the state's agricultural and renewable energy industries.

Subd. 2. **Activities authorized.** For the purposes of this program, the commissioner may issue grants, loans, or other forms of financial assistance. Eligible activities include, but are not limited to, grants to livestock producers under the livestock investment grant program under section 17.118, bioenergy awards made by the NextGen Energy Board under section 41A.105, and financial assistance to support other rural economic infrastructure activities.

Subd. 3. **Oversight.** The commissioner, in consultation with the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over agriculture finance, must allocate available funds among eligible uses, develop competitive eligibility criteria, and award funds on a needs basis.

Subd. 4. **Sunset.** This section expires on June 30, 2013.

Sec. 84. Minnesota Statutes 2008, section 41B.039, subdivision 2, is amended to read:

Subd. 2. **State participation.** The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount of the loan or ~~\$200,000~~ \$300,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 85. Minnesota Statutes 2008, section 41B.04, subdivision 8, is amended to read:

Subd. 8. ~~State's~~ **State participation.** With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of 45 percent of the primary principal or ~~\$225,000~~ \$400,000, whichever is less. The authority's portion of the loan must be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 86. Minnesota Statutes 2008, section 41B.042, subdivision 4, is amended to read:

Subd. 4. **Participation limit; interest.** The authority may participate in new seller-sponsored loans to the extent of 45 percent of the principal amount of the loan or ~~\$200,000~~ \$300,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 87. Minnesota Statutes 2008, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. **Loan participation.** The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or ~~\$200,000~~ \$300,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 88. Minnesota Statutes 2008, section 41B.045, subdivision 2, is amended to read:

Subd. 2. **Loan participation.** The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$660,000 in 2004 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan or ~~\$275,000~~ \$400,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 89. Minnesota Statutes 2008, section 97A.045, subdivision 1, is amended to read:

Subdivision 1. **Duties; generally.** (a) The commissioner shall do all things the commissioner determines are necessary to preserve, protect, and propagate desirable

species of wild animals. The commissioner shall make special provisions for the management of fish and wildlife to ensure recreational opportunities for anglers and hunters. The commissioner shall acquire wild animals for breeding or stocking and may dispose of or destroy undesirable or predatory wild animals and their dens, nests, houses, or dams.

(b) Notwithstanding chapters 17 and 35, the commissioner, in consultation with the commissioner of agriculture and the executive director of the Board of Animal Health, may capture or control nonnative or domestic animals that are released, have escaped, or are otherwise running at large and causing damage to natural resources or agricultural lands, or that are posing a threat to wildlife, domestic animals, or human health. The commissioner may work with other agencies to assist in the capture or control and may authorize persons to take such animals.

Sec. 90. Minnesota Statutes 2008, section 239.791, subdivision 1, is amended to read:

Subdivision 1. **Minimum ethanol content required.** (a) Except as provided in subdivisions 10 to 14, a person responsible for the product shall ensure that all gasoline sold or offered for sale in Minnesota must contain at least the quantity of ethanol required by clause (1) or (2), whichever is greater:

(1) 10.0 percent denatured ethanol by volume; or

(2) the maximum percent of denatured ethanol by volume authorized in a waiver granted by the United States Environmental Protection Agency under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).

(b) For purposes of enforcing the minimum ethanol requirement of paragraph (a), clause (1), a gasoline/ethanol blend will be construed to be in compliance if the ethanol content, exclusive of denaturants and permitted contaminants, comprises not less than 9.2 percent by volume and not more than 10.0 percent by volume of the blend as determined by an appropriate United States Environmental Protection Agency or American Society of Testing Materials standard method of analysis of alcohol/ether content in engine fuels.

(c) The provisions of this subdivision are suspended during any period of time that subdivision 1a, paragraph (a), is in effect.

Sec. 91. Minnesota Statutes 2008, section 239.791, subdivision 1a, is amended to read:

Subd. 1a. **Minimum ethanol content required.** (a) Except as provided in subdivisions 10 to 14, on August 30, 2013, and thereafter, a person responsible for the product shall ensure that all gasoline sold or offered for sale in Minnesota must contain at least the quantity of ethanol required by clause (1) or (2), whichever is greater:

59.1 (1) 20 percent denatured ethanol by volume; or
59.2 (2) the maximum percent of denatured ethanol by volume authorized in a waiver
59.3 granted by the United States Environmental Protection Agency under section 211(f)(4) of
59.4 the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).

59.5 (b) For purposes of enforcing the minimum ethanol requirement of paragraph (a),
59.6 clause (1), a gasoline/ethanol blend will be construed to be in compliance if the ethanol
59.7 content, exclusive of denaturants and permitted contaminants, comprises not less than 18.4
59.8 percent by volume and not more than 20 percent by volume of the blend as determined by
59.9 an appropriate United States Environmental Protection Agency or American Society of
59.10 Testing Materials standard method of analysis of alcohol content in motor fuels.

59.11 (c) No motor fuel shall be deemed to be a defective product by virtue of the fact
59.12 that the motor fuel is formulated or blended pursuant to the requirements of paragraph
59.13 (a) under any theory of liability except for simple or willful negligence or fraud. This
59.14 paragraph does not preclude an action for negligent, fraudulent, or willful acts. This
59.15 paragraph does not affect a person whose liability arises under chapter 115, water pollution
59.16 control; 115A, waste management; 115B, environmental response and liability; 115C,
59.17 leaking underground storage tanks; or 299J, pipeline safety; under public nuisance law
59.18 for damage to the environment or the public health; under any other environmental or
59.19 public health law; or under any environmental or public health ordinance or program of a
59.20 municipality as defined in section 466.01.

59.21 (d) This subdivision expires on December 31, 2010, if by that date:

59.22 (1) the commissioner of agriculture certifies and publishes the certification in
59.23 the State Register that at least 20 percent of the volume of gasoline sold in the state
59.24 is denatured ethanol; or

59.25 (2) federal approval has not been granted ~~for the use of E20 as gasoline under~~
59.26 paragraph (a), clause (1). The United States Environmental Protection Agency's failure
59.27 to act on an application shall not be deemed approval ~~of the use of E20 under paragraph~~
59.28 (a), clause (1), or a waiver under section 211(f)(4) of the Clean Air Act, United States
59.29 Code, title 42, section 7545, subsection (f), paragraph (4).

59.30 Sec. 92. Minnesota Statutes 2008, section 336.9-601, is amended to read:

59.31 **336.9-601 RIGHTS AFTER DEFAULT; JUDICIAL ENFORCEMENT;**
59.32 **CONSIGNOR OR BUYER OF ACCOUNTS, CHATTEL PAPER, PAYMENT**
59.33 **INTANGIBLES, OR PROMISSORY NOTES.**

60.1 (a) **Rights of secured party after default.** After default, a secured party has the
60.2 rights provided in this part and, except as otherwise provided in section 336.9-602, those
60.3 provided by agreement of the parties. A secured party:

60.4 (1) may reduce a claim to judgment, foreclose, or otherwise enforce the claim,
60.5 security interest, or agricultural lien by any available judicial procedure; and

60.6 (2) if the collateral is documents, may proceed either as to the documents or as
60.7 to the goods they cover.

60.8 (b) **Rights and duties of secured party in possession or control.** A secured party
60.9 in possession of collateral or control of collateral under section 336.7-106, 336.9-104,
60.10 336.9-105, 336.9-106, or 336.9-107 has the rights and duties provided in section
60.11 336.9-207.

60.12 (c) **Rights cumulative; simultaneous exercise.** The rights under subsections (a)
60.13 and (b) are cumulative and may be exercised simultaneously.

60.14 (d) **Rights of debtor and obligor.** Except as otherwise provided in subsection (g)
60.15 and section 336.9-605, after default, a debtor and an obligor have the rights provided in
60.16 this part and by agreement of the parties.

60.17 (e) **Lien of levy after judgment.** If a secured party has reduced its claim to
60.18 judgment, the lien of any levy that may be made upon the collateral by virtue of an
60.19 execution based upon the judgment relates back to the earliest of:

60.20 (1) the date of perfection of the security interest or agricultural lien in the collateral;

60.21 (2) the date of filing a financing statement covering the collateral; or

60.22 (3) any date specified in a statute under which the agricultural lien was created.

60.23 (f) **Execution sale.** A sale pursuant to an execution is a foreclosure of the security
60.24 interest or agricultural lien by judicial procedure within the meaning of this section. A
60.25 secured party may purchase at the sale and thereafter hold the collateral free of any other
60.26 requirements of this article.

60.27 (g) **Consignor or buyer of certain rights to payment.** Except as otherwise
60.28 provided in section 336.9-607(c), this part imposes no duties upon a secured party that is
60.29 a consignor or is a buyer of accounts, chattel paper, payment intangibles, or promissory
60.30 notes.

60.31 (h) **Security interest in collateral that is agricultural property; enforcement.** A
60.32 person may not begin to enforce a security interest in collateral that is agricultural property
60.33 subject to sections 583.20 to 583.32 that has secured a debt of more than \$5,000 unless: a
60.34 mediation notice under subsection (i) is served on the debtor after a condition of default
60.35 has occurred in the security agreement and a copy served on the director of the agricultural

61.1 extension service; and the debtor and creditor have completed mediation under sections
61.2 583.20 to 583.32; or as otherwise allowed under sections 583.20 to 583.32.

61.3 (i) **Mediation notice.** A mediation notice under subsection (h) must contain the
61.4 following notice with the blanks properly filled in.

61.5 "TO: ...(Name of Debtor)...

61.6 YOU HAVE DEFAULTED ON THE ...(Debt in Default)... SECURED BY
61.7 AGRICULTURAL PROPERTY DESCRIBED AS ...(Reasonable Description of
61.8 Agricultural Property Collateral)---. THE AMOUNT OF THE OUTSTANDING DEBT
61.9 IS ...(Amount of Debt)...

61.10 AS A SECURED PARTY, ...(Name of Secured Party)... INTENDS TO ENFORCE
61.11 THE SECURITY AGREEMENT AGAINST THE AGRICULTURAL PROPERTY
61.12 DESCRIBED ABOVE BY REPOSSESSING, FORECLOSING ON, OR OBTAINING
61.13 A COURT JUDGMENT AGAINST THE PROPERTY.

61.14 YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR MEDIATION.
61.15 IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE
61.16 MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT
61.17 WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY
61.18 ENFORCES THE DEBT.

61.19 IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE
61.20 AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION
61.21 MEETING AND A FINANCIAL ANALYST TO HELP YOU TO PREPARE
61.22 FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION,
61.23 IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE
61.24 AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION
61.25 OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT
61.26 AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

61.27 TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A
61.28 MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU
61.29 RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT
61.30 ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

61.31 FROM: ...(Name and Address of Secured Party)..."

61.32 Sec. 93. Minnesota Statutes 2008, section 343.11, is amended to read:

61.33 **343.11 ACQUISITION OF PROPERTY, APPROPRIATIONS.**

61.34 Every county and district society for the prevention of cruelty to animals may
61.35 acquire, by purchase, gift, grant, or devise, and hold, use, or convey, real estate and

62.1 personal property, and lease, mortgage, sell, or use the same in any manner conducive to
62.2 its interest, to the same extent as natural persons. The county board of any county, or the
62.3 council of any city, in which such societies exist, may, in its discretion, appropriate for the
62.4 maintenance and support of such societies in the transaction of the work for which they are
62.5 organized, any sums of money not otherwise appropriated, ~~not to exceed in any one year~~
62.6 ~~the sum of \$4,800 or the sum of \$1 per capita based upon the county's or city's population~~
62.7 ~~as of the most recent federal census, whichever is greater~~; provided, that no part of the
62.8 appropriation shall be expended for the payment of the salary of any officer of the society.

62.9 Sec. 94. Minnesota Statutes 2008, section 550.365, subdivision 2, is amended to read:

62.10 Subd. 2. **Contents.** A mediation notice must contain the following notice with the
62.11 blanks properly filled in.

62.12 "TO:(Name of Judgment Debtor)....

62.13 A JUDGMENT WAS ORDERED AGAINST YOU BY(Name of Court)....

62.14 ON(Date of Judgment).

62.15 AS A JUDGMENT CREDITOR,(Name of Judgment Creditor).... INTENDS

62.16 TO TAKE ACTION AGAINST THE AGRICULTURAL PROPERTY DESCRIBED AS

62.17(Description of Agricultural Property).... TO SATISFY THE JUDGMENT IN THE

62.18 AMOUNT OF(Amount of Debt)....

62.19 YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR MEDIATION.

62.20 IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE

62.21 MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT

62.22 WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY

62.23 ENFORCES THE DEBT.

62.24 IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE

62.25 AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION

62.26 MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL

62.27 INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL

62.28 BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND

62.29 OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE

62.30 AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN

62.31 AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

62.32 TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A

62.33 MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU

62.34 RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT

62.35 ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

63.1 FROM:(Name and Address of Judgment Creditor)...."

63.2 Sec. 95. Minnesota Statutes 2008, section 559.209, subdivision 2, is amended to read:

63.3 Subd. 2. **Contents.** A mediation notice must contain the following notice with the
63.4 blanks properly filled in.

63.5 "TO:(Name of Contract for Deed Purchaser)....

63.6 YOU HAVE DEFAULTED ON THE CONTRACT FOR DEED OF THE
63.7 AGRICULTURAL PROPERTY DESCRIBED AS(Size and Reasonable Location of
63.8 Property, Not Legal Description)----. THE AMOUNT OF THE OUTSTANDING DEBT
63.9 IS(Amount of Debt)....

63.10 AS THE CONTRACT FOR DEED VENDOR,(Contract for Deed Vendor)....
63.11 INTENDS TO TERMINATE THE CONTRACT AND TAKE BACK THE PROPERTY.

63.12 YOU HAVE THE RIGHT TO HAVE THE CONTRACT FOR DEED DEBT
63.13 REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT
63.14 IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST
63.15 MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF
63.16 THE CONTRACT FOR DEED VENDOR BEGINS REMEDIES TO ENFORCE THE
63.17 DEBT.

63.18 IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE
63.19 AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION
63.20 MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL
63.21 INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL
63.22 BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND
63.23 OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE
63.24 AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN
63.25 AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

63.26 TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION
63.27 YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14
63.28 DAYS AFTER YOU RECEIVE THE NOTICE. THE MEDIATION REQUEST FORM IS
63.29 AVAILABLE AT ANY COUNTY EXTENSION OFFICE.

63.30 FROM:(Name and Address of Contract for Deed Vendor)...."

63.31 Sec. 96. Minnesota Statutes 2008, section 582.039, subdivision 2, is amended to read:

63.32 Subd. 2. **Contents.** A mediation notice must contain the following notice with the
63.33 blanks properly filled in.

63.34 "TO:(Name of Record Owner)....

64.1 YOU HAVE DEFAULTED ON THE MORTGAGE OF THE AGRICULTURAL
64.2 PROPERTY DESCRIBED AS(Size and Reasonable Location, Not Legal
64.3 Description).... THE AMOUNT OF THE OUTSTANDING DEBT ON THIS
64.4 PROPERTY IS(Amount of Debt)....

64.5 AS HOLDER OF THE MORTGAGE,(Name of Holder of Mortgage)....
64.6 INTENDS TO FORECLOSE ON THE PROPERTY DESCRIBED ABOVE.

64.7 YOU HAVE THE RIGHT TO HAVE THE MORTGAGE DEBT REVIEWED FOR
64.8 MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT
64.9 WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION,
64.10 THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED
64.11 PARTY ENFORCES THE DEBT.

64.12 IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE
64.13 AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION
64.14 MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL
64.15 INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL
64.16 BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND
64.17 OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE
64.18 AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN
64.19 AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

64.20 TO HAVE THE MORTGAGE DEBT REVIEWED FOR MEDIATION YOU MUST
64.21 FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER
64.22 YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE
64.23 AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

64.24 FROM:(Name and Address of Holder of Mortgage)...."

64.25 Sec. 97. Minnesota Statutes 2008, section 583.215, is amended to read:

64.26 **583.215 EXPIRATION.**

64.27 ~~(a)~~ Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and
64.28 583.20 to 583.32, expire June 30, ~~2009~~ 2013.

64.29 ~~(b) Laws 1986, chapter 398, article 1, section 18, as amended, is repealed.~~

64.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

64.31 Sec. 98. Laws 2008, chapter 274, section 5, is amended to read:

64.32 Sec. 5. **BOVINE TUBERCULOSIS CONTROL ASSESSMENT;**
64.33 **TEMPORARY ASSESSMENT; APPROPRIATION.**

(a) From January 1, 2009, to December 31, 2009, a person who purchases ~~a beef cow, heifer, or steer in~~ cattle that were raised or fed within this state shall collect a bovine tuberculosis control assessment of \$1 per head from the seller and shall submit all assessments collected to the commissioner of agriculture at least once every 30 days. If cattle that were raised or fed within this state are sold outside of the state and the assessment is not collected by the purchaser, the seller is responsible for submitting the assessment to the commissioner. For the purposes of this section, "a person who purchases ~~a beef cow, heifer, or steer in~~ cattle that were raised or fed within this state" includes the first purchaser, as defined in Minnesota Statutes, section 17.53, subdivision 8, paragraph (a), and any subsequent purchaser of the living animal.

(b) Money collected under this section shall be deposited in an account in the special revenue fund and is appropriated to the Board of Animal Health for bovine tuberculosis control activities.

(c) Notwithstanding paragraph (a), a person may not collect a bovine tuberculosis control assessment from a person whose cattle operation is located within a modified accredited zone established under Minnesota Statutes, section 35.244, unless the cattle owner voluntarily pays the assessment. The commissioner of agriculture shall publish and make available a list of cattle producers exempt under this paragraph.

(d) This section may be enforced under Minnesota Statutes, sections 17.982 to 17.984.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively to cattle purchased on January 1, 2009, and thereafter.

Sec. 99. INTERAGENCY STAFF.

For fiscal years 2010 and 2011, the Department of Agriculture, Board of Animal Health, and Agricultural Utilization Research Institute must not use funds appropriated in this article or statutorily appropriated from the agricultural fund to directly or indirectly pay for the services of staff in the Office of the Governor.

Sec. 100. GREEN JOBS FOOD PRODUCTION STUDY; REPORT.

The Agricultural Utilization Research Institute shall prepare a detailed study of this state's food production sector in coordination with the Minnesota State Colleges and Universities; urban, rural, and tribal community-based agriculture and food security organizations; members of the legislature with service on committees created by the Green Jobs Task Force; and other interested stakeholders. The study shall define the size of the employment base and identify opportunities to increase the number of green jobs

in each of the following sector segments: organics and organic value-added processing and local, conventional, natural, traditional, and urban farming. No later than January 15, 2010, the Agricultural Utilization Research Institute shall report its findings to the legislative committees with jurisdiction over employment and economic development policy or finance or agriculture finance.

Sec. 101. **FEDERAL STIMULUS FUNDING.**

The commissioner of agriculture shall apply for funding available to the state through the federal American Recovery and Reinvestment Act of 2009, Public Law 111-5, for areas under the purview of the commissioner including but not limited to agriculture and rural development, bioenergy, food safety, farm-to-school and related nutrition programs, and the development of local and regional food systems.

Sec. 102. **REPORT ON MINNESOTA PROCESSED FOODS LABELING.**

(a) The commissioner of agriculture shall consult with Minnesota food processors and retailers regarding the development of labeling that identifies food products processed in this state. The commissioner shall consult with interested parties including, but not limited to, the following organizations:

(1) the food processor industry, including representatives who represent different business sizes and product categories;

(2) the food retailer industry, including at least one representative with retail store locations located outside of the Twin Cities metropolitan area;

(3) the Agricultural Utilization Research Institute; and

(4) statewide agricultural producer groups.

(b) No later than March 31, 2010, the commissioner shall report findings and recommendations to the legislative committees with jurisdiction over agriculture policy and finance. The report shall include an assessment of the level of food processor interest in developing a trademarked logo or labeling statement as well as recommendations regarding program funding options, product eligibility criteria, and coordination with existing labeling and promotion programs and resources.

Sec. 103. **FERAL SWINE REPORT.**

The commissioner of natural resources, in coordination with the commissioner of agriculture and the executive director of the Board of Animal Health, shall develop a report and recommend any necessary changes to state policies, authorities, and penalties related to feral swine and other nonnative or domestic animals released, that have

67.1 escaped, or that are otherwise running at large. The agencies shall consult with interested
67.2 stakeholders. No later than January 15, 2010, the commissioner of natural resources shall
67.3 submit the report to the legislative committees with jurisdiction over natural resources
67.4 or agriculture policy or finance.

67.5 Sec. 104. **DEADLINE FOR APPOINTMENTS.**

67.6 (a) The commissioner of agriculture shall complete the new appointments required
67.7 by Minnesota Statutes, section 31.94, paragraph (c), no later than September 1, 2009.

67.8 (b) The commissioner of agriculture shall complete the appointments required
67.9 under Minnesota Statutes, section 31.97, by September 1, 2009. The commissioner or
67.10 the commissioner's designee shall convene the first meeting of the Feeding Minnesota
67.11 Task Force no later than October 1, 2009.

67.12 (c) The commissioner of agriculture shall complete the appointments required
67.13 under Minnesota Statutes, section 18.91, by September 1, 2009. The commissioner or
67.14 the commissioner's designee shall convene the first meeting of the committee no later
67.15 than October 1, 2009.

67.16 Sec. 105. **APPROPRIATION MODIFICATION.**

67.17 (a) Notwithstanding Minnesota Statutes, section 35.085, the Board of Animal Health
67.18 may make onetime grants to certain beef cattle producers participating in the bovine
67.19 tuberculosis herd buyout authorized in Minnesota Statutes, section 35.086, from the
67.20 \$100,000 appropriation for reimbursements in Laws 2007, chapter 45, article 1, section 4.

67.21 (b) A buyout participant is eligible for payment under this section if the Board of
67.22 Animal Health quarantined the participant's herd and required the participant to sell young
67.23 cattle at slaughter rather than as feeder cattle.

67.24 (c) For each head of cattle sold at slaughter under paragraph (b), the Board of
67.25 Animal Health must pay the difference between the fair market feeder cattle value at the
67.26 time of sale, as determined by the Board of Animal Health, and the documented slaughter
67.27 price received by the participant.

67.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

67.29 Sec. 106. **UNUSED OFFICE SPACE.**

67.30 The commissioner of agriculture, in consultation with the commissioner of
67.31 administration, shall actively seek tenants to rent vacant or unused space in the Freeman
67.32 Building. The commissioner of agriculture shall notify entities that receive state funding
67.33 of the amount and type of space available, the rental rate, and other lease terms. No

later than February 1, 2011, the commissioner of agriculture shall report actions taken and outcomes achieved under this section to the legislative committees with jurisdiction over agriculture finance. Any revenue raised under this section is appropriated to the commissioner of agriculture to award grants to livestock producers under Minnesota Statutes, section 41A.12.

Sec. 107. **REPEALER.**

Minnesota Statutes 2008, sections 17.49, subdivision 3; 18.81, subdivision 1; 18G.12, subdivision 5; 38.02, subdivisions 3 and 4; 41.51; 41.52; 41.53; 41.55; 41.56; 41.57; 41.58, subdivisions 1 and 2; 41.59, subdivision 1; 41.60; 41.61, subdivision 1; 41.62; 41.63; and 41.65, and Minnesota Rules, part 1505.0820, are repealed.

ARTICLE 2

RURAL FINANCE AUTHORITY

Section 1. **RURAL FINANCE AUTHORITY.**

Subdivision 1. **Appropriation.** \$35,000,000 is appropriated from the bond proceeds fund for the purposes set forth in the Minnesota Constitution, article XI, section 5, clause (h), to the Rural Finance Authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmers loans; second, to seller-sponsored loans; and third, to agricultural improvement loans. The authority may use a portion of this appropriation to pay bond sales expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$35,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 3. **Notice.** If the appropriations in this section are enacted more than once in the 2009 regular legislative session, these appropriations must be given effect only once.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 3
VETERANS AFFAIRS

Section 1. **VETERANS AFFAIRS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2010</u>	<u>2011</u>

Sec. 2. **VETERANS AFFAIRS**

Subdivision 1. Total Appropriation	\$	58,325,000	\$	58,568,000
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Veterans Services		<u>14,652,000</u>		<u>14,652,000</u>
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\$250,000 each year is for a grant to the Minnesota Assistance Council for Veterans.

This appropriation is in addition to the existing agency base appropriation and must be added to the agency appropriation base for fiscal years 2012 and later.

Of this amount, \$500,000 in fiscal year 2010 and \$500,000 in fiscal year 2011 are to be used to continue working on the merger of the Department of Veterans Affairs computer

70.1 system and the former Veterans Homes
70.2 Board computer system.

70.3 \$100,000 each year is for the costs of
70.4 administering the Minnesota GI Bill program
70.5 under Minnesota Statutes, section 197.791.

70.6 \$353,000 each year is for grants to the
70.7 following congressionally chartered veterans
70.8 service organizations, as designated by the
70.9 commissioner: Disabled American Veterans,
70.10 Military Order of the Purple Heart, the
70.11 American Legion, Veterans of Foreign Wars,
70.12 Vietnam Veterans of America, AMVETS,
70.13 and Paralyzed Veterans of America. This
70.14 funding must be allocated in direct proportion
70.15 to the funding currently being provided by
70.16 the commissioner to these organizations.

70.17	<u>Subd. 3. Veterans Homes</u>	<u>43,673,000</u>	<u>43,916,000</u>
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70.18 **Veterans Homes Special Revenue Account.**
70.19 The general fund appropriations made to
70.20 the department may be transferred to a
70.21 veterans homes special revenue account in
70.22 the special revenue fund in the same manner
70.23 as other receipts are deposited according
70.24 to Minnesota Statutes, section 198.34, and
70.25 are appropriated to the department for the
70.26 operation of veterans homes facilities and
70.27 programs.

70.28 **Repair and Betterment.** Of this
70.29 appropriation, \$1,000,000 in fiscal year
70.30 2010 and \$500,000 in fiscal year 2011
70.31 are to be used for repair, maintenance,
70.32 rehabilitation, and betterment activities at
70.33 facilities statewide.

71.1 **Hastings Veterans Home.** \$220,000 each
71.2 year is for increases in the mental health
71.3 program at the Hastings Veterans Home.
71.4 **Food.** \$92,000 in fiscal year 2010 and
71.5 \$189,000 in fiscal year 2011 are for increases
71.6 in food costs at the Minnesota veterans
71.7 homes.
71.8 **Pharmaceuticals.** \$287,000 in fiscal year
71.9 2010 and \$617,000 in fiscal year 2011 are for
71.10 increases in pharmaceutical costs.
71.11 **Fuel and Utilities.** \$277,000 in fiscal year
71.12 2010 and \$593,000 in fiscal year 2011 are
71.13 for increases in fuel and utility costs at the
71.14 Minnesota veterans homes.
71.15 **Medicare Part D.** \$141,000 in fiscal year
71.16 2010 and \$141,000 in fiscal year 2011 are
71.17 for implementation of Minnesota Statutes,
71.18 section 198.003, subdivision 7.

71.19 Sec. 3. Minnesota Statutes 2008, section 16C.16, is amended by adding a subdivision
71.20 to read:

71.21 Subd. 6a. **Veteran-owned small businesses.** (a) The commissioner shall award up
71.22 to a six percent preference, but no less than the percentage awarded to any other group
71.23 under this section, in the amount bid on state procurement to certified small businesses
71.24 that are majority-owned and operated either:

71.25 (1) by veterans, as indicated by the person's United States Department of Defense
71.26 form DD-214 or by the commissioner of veterans affairs; or

71.27 (2) by veterans having service-connected disabilities, as determined at any time by
71.28 the United States Department of Veterans Affairs.

71.29 (b) The purpose of this designation is to facilitate the transition of veterans from
71.30 military to civilian life, and to help compensate veterans for their sacrifices, including but
71.31 not limited to their sacrifice of health and time, to the state and nation during their military
71.32 service, as well as to enhance economic development within Minnesota.

71.33 (c) For purposes of this section and section 16C.19, the following terms have the
71.34 meanings given them:

72.1 (1) "veteran" has the meaning given in section 197.447; and
72.2 (2) "service-connected disability" has the meaning given in United States Code, title
72.3 38, section 101(16), as determined by the United States Department of Veterans Affairs.

72.4 **EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to
72.5 procurement contract bid solicitations issued on and after that date.

72.6 Sec. 4. Minnesota Statutes 2008, section 16C.19, is amended to read:

72.7 **16C.19 ELIGIBILITY; RULES.**

72.8 (a) A small business wishing to participate in the programs under section 16C.16,
72.9 subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt
72.10 by rule standards and procedures for certifying that small businesses, small targeted group
72.11 businesses, and small businesses located in economically disadvantaged areas are eligible
72.12 to participate under the requirements of sections 16C.16 to 16C.21. The commissioner
72.13 shall adopt by rule standards and procedures for hearing appeals and grievances and other
72.14 rules necessary to carry out the duties set forth in sections 16C.16 to 16C.21.

72.15 (b) The commissioner may make rules which exclude or limit the participation of
72.16 nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers,
72.17 manufacturers' representatives, and others from eligibility under sections 16C.16 to
72.18 16C.21.

72.19 (c) The commissioner may make rules that set time limits and other eligibility limits
72.20 on business participation in programs under sections 16C.16 to 16C.21.

72.21 (d) Notwithstanding paragraph (c), for purposes of sections 16C.16 to 16C.21,
72.22 a veteran-owned small business or service-disabled veteran-owned small business, the
72.23 principal place of business of which is in Minnesota, is certified if it has been verified by
72.24 the United States Department of Veterans Affairs as being a veteran-owned small business
72.25 or service disabled veteran-owned small business in accordance with Public Law 109-461
72.26 and Code of Federal Regulations, title 38, part 74.

72.27 **EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to
72.28 procurement contract bid solicitations issued on and after that date.

72.29 Sec. 5. Minnesota Statutes 2008, section 16C.20, is amended to read:

72.30 **16C.20 CERTIFICATION.**

72.31 A business that is certified by the commissioner of administration as a small
72.32 business, small targeted group business, ~~or~~ a small business located in an economically
72.33 disadvantaged area, or a veteran-owned small business is eligible to participate under the

73.1 requirements of sections 137.31 and 161.321 and, if certified as a small business, ~~or~~ small
73.2 targeted group business, or veteran-owned small business, under section 473.142 without
73.3 further certification by the contracting agency.

73.4 **EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to
73.5 procurement contract bid solicitations issued on and after that date.

73.6 Sec. 6. Minnesota Statutes 2008, section 43A.11, subdivision 7, is amended to read:

73.7 Subd. 7. **Ranking of veterans.** Applicants who meet the minimum qualifications
73.8 for a vacant position and claim disabled veteran's preference shall be listed in the applicant
73.9 pool ahead of all other applicants. Applicants who meet the minimum qualifications for a
73.10 vacant position and claim nondisabled veteran's preference shall be listed in the applicant
73.11 pool after those claiming disabled veteran's preference and ahead of nonveterans. Each
73.12 recently separated veteran who meets minimum qualifications for a vacant position
73.13 and has claimed a veterans or disabled veterans preference must be considered for the
73.14 position. The top five recently separated veterans must be granted an interview for the
73.15 position by the hiring authority.

73.16 The term "recently separated veteran" means a veteran, as defined in section
73.17 197.447, who has served in active military service, at any time on or after September
73.18 11, 2001, and who has been honorably discharged from active service, as shown by the
73.19 person's form DD-214.

73.20 **EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to all
73.21 vacancies posted on or after that date.

73.22 Sec. 7. Minnesota Statutes 2008, section 43A.23, subdivision 1, is amended to read:

73.23 Subdivision 1. **General.** (a) The commissioner is authorized to request proposals
73.24 or to negotiate and to enter into contracts with parties which in the judgment of the
73.25 commissioner are best qualified to provide service to the benefit plans. Contracts entered
73.26 into are not subject to the requirements of sections 16C.16 to 16C.19. The commissioner
73.27 may negotiate premium rates and coverage. The commissioner shall consider the cost of
73.28 the plans, conversion options relating to the contracts, service capabilities, character,
73.29 financial position, and reputation of the carriers, and any other factors which the
73.30 commissioner deems appropriate. Each benefit contract must be for a uniform term of at
73.31 least one year, but may be made automatically renewable from term to term in the absence
73.32 of notice of termination by either party. A carrier licensed under chapter 62A is exempt
73.33 from the taxes imposed by chapter 297I on premiums paid to it by the state.

(b) All self-insured hospital and medical service products must comply with coverage mandates, data reporting, and consumer protection requirements applicable to the licensed carrier administering the product, had the product been insured, including chapters 62J, 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or provide different levels of coverage between network and nonnetwork providers shall comply with section 62D.123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

(c) Notwithstanding paragraph (b), a self-insured hospital and medical product offered under sections 43A.22 to 43A.30 is not required to extend dependent coverage to an eligible employee's unmarried child under the age of 25 to the full extent required under chapters 62A and 62L. Dependent coverage must, at a minimum, extend to an eligible employee's unmarried child who is under the age of 19 or an unmarried child under the age of 25 who is a full-time student. A person who is at least 19 years of age but who is under the age of 25 and who is not a full-time student must be permitted to be enrolled as a dependent of an eligible employee until age 25 if the person:

(1) was a full-time student immediately prior to being ordered into active military service, as defined in section 190.05, subdivision 5b or 5c;

(2) has been separated or discharged from active military service; and

(3) would be eligible to enroll as a dependent of an eligible employee, except that the person is not a full-time student.

The definition of "full-time student" for purposes of this paragraph includes any student who by reason of illness, injury, or physical or mental disability as documented by a physician is unable to carry what the educational institution considers a full-time course load so long as the student's course load is at least 60 percent of what otherwise is considered by the institution to be a full-time course load. Any notice regarding termination of coverage due to attainment of the limiting age must include information about this definition of "full-time student."

(d) Beginning January 1, 2010, the health insurance benefit plans offered in the commissioner's plan under section 43A.18, subdivision 2, and the managerial plan under section 43A.18, subdivision 3, must include an option for a health plan that is compatible with the definition of a high-deductible health plan in section 223 of the United States Internal Revenue Code.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to persons separated or discharged from active military service before, on, or after that date.

Sec. 8. Minnesota Statutes 2008, section 161.321, is amended to read:

161.321 SMALL BUSINESS CONTRACTS.

Subdivision 1. **Definitions.** For purposes of this section the following terms have the meanings given them, except where the context clearly indicates a different meaning is intended.

(a) "Award" means the granting of a contract in accordance with all applicable laws and rules governing competitive bidding except as otherwise provided in this section.

(b) "Contract" means an agreement entered into between a business entity and the state of Minnesota for the construction of transportation improvements.

(c) "Subcontractor" means a business entity which enters into a legally binding agreement with another business entity which is a party to a contract as defined in paragraph (b).

(d) "Targeted group business" means a business designated under section 16C.16, subdivision 5.

(e) "Veteran-owned small business" means a business designated under section 16C.16, subdivision 6a.

Subd. 2. **Small business set-asides.** (a) The commissioner may award up to a six percent preference in the amount bid for specified construction work to small targeted group businesses and veteran-owned small businesses.

(b) The commissioner may designate a contract for construction work for award only to small targeted group businesses if the commissioner determines that at least three small targeted group businesses are likely to bid. The commissioner may designate a contract for construction work for award only to veteran-owned small businesses if the commissioner determines that at least three veteran-owned small businesses are likely to bid.

(c) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and veteran-owned small businesses. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses and veteran-owned small businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses or veteran-owned small businesses.

(d) The commissioner may award up to a four percent preference in the amount bid on procurement to small businesses located in an economically disadvantaged area as defined in section 16C.16, subdivision 7.

Subd. 3. **Awards to small businesses.** At least 75 percent of subcontracts awarded to small targeted group businesses must be performed by the business to which the subcontract is awarded or another small targeted group business. At least 75 percent of subcontracts awarded to veteran-owned small businesses must be performed by the business to which the subcontract is awarded or another veteran-owned small business.

Subd. 4. **Awards, limitations.** Contracts awarded pursuant to this section are subject to all limitations contained in rules adopted by the commissioner of administration.

Subd. 5. **Recourse to other businesses.** If the commissioner is unable to award a contract pursuant to the provisions of subdivisions 2 and 3, the award may be placed pursuant to the normal solicitation and award provisions set forth in this chapter and chapter 16C.

Subd. 6. **Rules.** The rules adopted by the commissioner of administration to define small businesses and to set time and other eligibility requirements for participation in programs under sections 16C.16 to 16C.19 apply to this section. The commissioner may promulgate other rules necessary to carry out this section.

Subd. 7. **Noncompetitive bids.** The commissioner is encouraged to purchase from small targeted group businesses and veteran-owned small businesses designated under section 16C.16 when making purchases that are not subject to competitive bidding procedures.

Subd. 8. **Report by commissioner.** The commissioner of transportation shall report to the commissioner of administration on compliance with this section. The information must be reported at the time and in the manner requested by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 9. **[168.1253] GOLD STAR LICENSE PLATE.**

Subdivision 1. **Definitions.** (a) The terms used in this section have the meanings given them in this subdivision.

(b) "Active service" has the meaning given in section 190.05, subdivision 5.

(c) "Eligible person" means a surviving spouse or parent of a person who has died while serving honorably in active service.

77.1 (d) "Motor vehicle" means a vehicle for personal use, not used for commercial
77.2 purposes, and may include a passenger automobile, motorcycle, recreational vehicle,
77.3 pickup truck, or van.

77.4 Subd. 2. **Issuance; eligibility.** Beginning October 1, 2009, the commissioner shall
77.5 issue special plates bearing the inscription "GOLD STAR" to an applicant who:

77.6 (1) is an owner or joint owner of a motor vehicle;

77.7 (2) is an eligible person; and

77.8 (3) complies with all laws relating to the registration and licensing of motor vehicles
77.9 and drivers.

77.10 Subd. 3. **No fee.** The commissioner shall issue a set of Gold Star plates, or a single
77.11 plate for a motorcycle, to an eligible person free of charge, and shall replace the plate or
77.12 plates without charge if they become damaged.

77.13 Subd. 4. **Design.** The special plates issued under this section must be of a design
77.14 and size determined by the commissioner, in consultation with the commissioner of
77.15 veterans affairs. The commissioner may design the plates in accordance with section
77.16 168.1291, subdivision 2.

77.17 Subd. 5. **Transfer.** On payment of a fee of \$5 and notification to the commissioner,
77.18 special plates issued under this section may be transferred to another motor vehicle owned
77.19 or jointly owned by the eligible person.

77.20 Subd. 6. **Costs of production.** The commissioner of finance may transfer money
77.21 in the "Support Our Troops" account under section 190.19, subdivision 2a, to the driver
77.22 and vehicle services account under section 299A.705, subdivision 1, to pay for the cost
77.23 of production of the license plates authorized under this section. The commissioner of
77.24 veterans affairs and the commissioner of public safety must agree on a payment schedule
77.25 before any money may be transferred under this subdivision.

77.26 Sec. 10. Minnesota Statutes 2008, section 171.06, subdivision 3, is amended to read:

77.27 Subd. 3. **Contents of application; other information.** (a) An application must:

77.28 (1) state the full name, date of birth, sex, and either (i) the residence address of the
77.29 applicant, or (ii) designated address under section 5B.05;

77.30 (2) as may be required by the commissioner, contain a description of the applicant
77.31 and any other facts pertaining to the applicant, the applicant's driving privileges, and the
77.32 applicant's ability to operate a motor vehicle with safety;

77.33 (3) state:

77.34 (i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant certifies that the applicant does not have a Social Security number;

(4) contain a space where the applicant may indicate a desire to make an anatomical gift according to paragraph (b); ~~and~~

(5) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7; and

(6) contain a space where the applicant may request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a.

(b) If the applicant does not indicate a desire to make an anatomical gift when the application is made, the applicant must be offered a donor document in accordance with section 171.07, subdivision 5. The application must contain statements sufficient to comply with the requirements of the Darlene Luther Revised Uniform Anatomical Gift Act, chapter 525A, so that execution of the application or donor document will make the anatomical gift as provided in section 171.07, subdivision 5, for those indicating a desire to make an anatomical gift. The application must be accompanied by information describing Minnesota laws regarding anatomical gifts and the need for and benefits of anatomical gifts, and the legal implications of making an anatomical gift, including the law governing revocation of anatomical gifts. The commissioner shall distribute a notice that must accompany all applications for and renewals of a driver's license or Minnesota identification card. The notice must be prepared in conjunction with a Minnesota organ procurement organization that is certified by the federal Department of Health and Human Services and must include:

(1) a statement that provides a fair and reasonable description of the organ donation process, the care of the donor body after death, and the importance of informing family members of the donation decision; and

(2) a telephone number in a certified Minnesota organ procurement organization that may be called with respect to questions regarding anatomical gifts.

(c) The application must be accompanied also by information containing relevant facts relating to:

(1) the effect of alcohol on driving ability;

(2) the effect of mixing alcohol with drugs;

(3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and

79.1 (4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests
79.2 for alcohol-related violations.

79.3 Sec. 11. Minnesota Statutes 2008, section 171.07, is amended by adding a subdivision
79.4 to read:

79.5 Subd. 15. **Veteran designation.** (a) At the request of the applicant and on payment
79.6 of the required fee, the department shall issue, renew, or reissue a driver's license or
79.7 Minnesota identification card bearing the designation "Veteran" to an applicant who is
79.8 a veteran, as defined in section 197.447.

79.9 (b) At the time of the initial application for the designation provided under this
79.10 subdivision, the applicant must have a certified copy of the veteran's discharge papers.

79.11 (c) The commissioner of public safety is required to issue drivers' licenses and
79.12 Minnesota identification cards with the veteran designation only after entering a new
79.13 contract or in coordination with producing a new card design with modifications made
79.14 as required by law.

79.15 **EFFECTIVE DATE.** This section is effective August 1, 2009, and applies to
79.16 drivers' licenses and Minnesota identification cards issued as stated in paragraph (c).

79.17 Sec. 12. Minnesota Statutes 2008, section 171.12, is amended by adding a subdivision
79.18 to read:

79.19 Subd. 5a. **Veteran designation.** When an applicant for a driver's license, instruction
79.20 permit, or Minnesota identification card requests a veteran designation under section
79.21 171.06, subdivision 3, the commissioner shall maintain a computer record of veteran
79.22 designations. The veteran designation may be removed from the computer record only
79.23 upon written notice to the department. The veteran designation is classified as private data
79.24 on individuals as defined in section 13.02, subdivision 12, except that this information is
79.25 available to the commissioner of veterans affairs for the purpose of administering veterans
79.26 benefits.

79.27 Sec. 13. Minnesota Statutes 2008, section 190.19, subdivision 2a, is amended to read:

79.28 Subd. 2a. **Uses; veterans.** Money appropriated to the Department of Veterans
79.29 Affairs from the Minnesota "Support Our Troops" account may be used for:

79.30 (1) grants to veterans service organizations; ~~and~~

79.31 (2) outreach to underserved veterans; and

79.32 (3) transfers to the vehicle services account for gold star license plates under section
79.33 168.1253.

Sec. 14. Minnesota Statutes 2008, section 197.455, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) This section shall govern preference of a veteran under the civil service laws, charter provisions, ordinances, rules or regulations of a county, city, town, school district, or other municipality or political subdivision of this state. Any provision in a law, charter, ordinance, rule or regulation contrary to the applicable provisions of this section is void to the extent of such inconsistency.

(b) Sections 197.46 to ~~197.48~~ 197.481 also apply to ~~state civil service~~; a veteran who is an incumbent in a classified appointment in the state civil service and has completed the probationary period for that position, as defined under section 43A.16. In matters of dismissal from such a position, a qualified veteran has the irrevocable option of using the procedures described in sections 197.46 to 197.481, or the procedures provided in the collective bargaining agreement applicable to the person, but not both. For a qualified veteran electing to use the procedures of sections 197.46 to 197.481, the matters governed by those sections must not be considered grievances under a collective bargaining agreement, and if a veteran elects to appeal the dispute through those sections, the veteran is precluded from making an appeal under the grievance procedure of the collective bargaining agreement.

EFFECTIVE DATE. This section is effective July 1, 2009, and applies to appointments to state and local government positions of employment made on or after that date.

Sec. 15. Minnesota Statutes 2008, section 197.46, is amended to read:

197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT OF MANDAMUS.

Any person whose rights may be in any way prejudiced contrary to any of the provisions of this section, shall be entitled to a writ of mandamus to remedy the wrong. No person holding a position by appointment or employment in the several counties, cities, towns, school districts and all other political subdivisions in the state, who is a veteran separated from the military service under honorable conditions, shall be removed from such position or employment except for incompetency or misconduct shown after a hearing, upon due notice, upon stated charges, in writing.

Any veteran who has been notified of the intent to discharge the veteran from an appointed position or employment pursuant to this section shall be notified in writing of such intent to discharge and of the veteran's right to request a hearing within 60 days of receipt of the notice of intent to discharge. The failure of a veteran to request a hearing

81.1 within the provided 60-day period shall constitute a waiver of the right to a hearing. Such
81.2 failure shall also waive all other available legal remedies for reinstatement.

81.3 Request for a hearing concerning such a discharge shall be made in writing and
81.4 submitted by mail or personal service to the employment office of the concerned employer
81.5 or other appropriate office or person.

81.6 In all governmental subdivisions having an established civil service board or
81.7 commission, or merit system authority, such hearing for removal or discharge shall be
81.8 held before such civil service board or commission or merit system authority. Where no
81.9 such civil service board or commission or merit system authority exists, such hearing
81.10 shall be held by a board of three persons appointed as follows: one by the governmental
81.11 subdivision, one by the veteran, and the third by the two so selected. In the event the two
81.12 persons so selected do not appoint the third person within ten days after the appointment
81.13 of the last of the two, then the judge of the district court of the county wherein the
81.14 proceeding is pending, or if there be more than one judge in said county then any judge in
81.15 chambers, shall have jurisdiction to appoint, and upon application of either or both of the
81.16 two so selected shall appoint, the third person to the board and the person so appointed
81.17 by the judge with the two first selected shall constitute the board. The veteran may
81.18 appeal from the decision of the board upon the charges to the district court by causing
81.19 written notice of appeal, stating the grounds thereof, to be served upon the governmental
81.20 subdivision or officer making the charges within 15 days after notice of the decision and
81.21 by filing the original notice of appeal with proof of service thereof in the office of the court
81.22 administrator of the district court within ten days after service thereof. Nothing in section
81.23 197.455 or this section shall be construed to apply to the position of private secretary,
81.24 ~~teacher~~, superintendent of schools, or one chief deputy of any elected official or head of
81.25 a department, or to any person holding a strictly confidential relation to the appointing
81.26 officer. The burden of establishing such relationship shall be upon the appointing officer
81.27 in all proceedings and actions relating thereto.

81.28 All officers, boards, commissions, and employees shall conform to, comply with,
81.29 and aid in all proper ways in carrying into effect the provisions of section 197.455 and this
81.30 section notwithstanding any laws, charter provisions, ordinances or rules to the contrary.
81.31 Any willful violation of such sections by officers, officials, or employees is a misdemeanor.

81.32 **EFFECTIVE DATE.** This section is effective July 1, 2009.

81.33 Sec. 16. Minnesota Statutes 2008, section 197.791, subdivision 6, is amended to read:

81.34 Subd. 6. **Insufficient Appropriation.** If The amount appropriated is determined by
81.35 ~~the commissioner to be insufficient~~ necessary to pay the benefit amounts in subdivision

82.1 5, is appropriated from the general fund to the commissioner ~~must reduce the amounts~~
82.2 ~~specified in subdivision 5, paragraph (c), clauses (1) and (2).~~ During any fiscal year
82.3 beginning on or after July 1, 2013, the amount paid under this subdivision must not
82.4 exceed \$6,000,000.

82.5 Sec. 17. Minnesota Statutes 2008, section 198.003, is amended by adding a subdivision
82.6 to read:

82.7 Subd. 4a. **Federal funding.** The commissioner is authorized to apply for and accept
82.8 federal funding for purposes of this section.

82.9 Sec. 18. Minnesota Statutes 2008, section 198.003, is amended by adding a subdivision
82.10 to read:

82.11 Subd. 7. **Use of Medicare Part D for pharmacy costs.** (a) The commissioner
82.12 shall maximize the use of Medicare Part D to pay pharmacy costs for eligible veterans
82.13 residing at the veterans homes.

82.14 (b) The commissioner shall encourage eligible veterans to participate in the
82.15 Medicare Part D program and assist veterans in obtaining Medicare Part D coverage.

82.16 (c) The commissioner shall take any necessary steps to prevent an eligible veteran
82.17 participating in Medicare Part D from receiving fewer benefits under Medicare Part D
82.18 than they would have received under their existing Veterans Administration benefits.

82.19 Sec. 19. Minnesota Statutes 2008, section 473.142, is amended to read:

82.20 **473.142 SMALL BUSINESSES.**

82.21 (a) The Metropolitan Council and agencies specified in section 473.143, subdivision
82.22 1, may award up to a six percent preference in the amount bid for specified goods
82.23 or services to small targeted group businesses and veteran-owned small businesses
82.24 designated under section 16C.16.

82.25 (b) The council and each agency specified in section 473.143, subdivision 1, may
82.26 designate a purchase of goods or services for award only to small targeted group businesses
82.27 designated under section 16C.16 if the council or agency determines that at least three
82.28 small targeted group businesses are likely to bid. The council and each agency specified in
82.29 section 473.143, subdivision 1, may designate a purchase of goods or services for award
82.30 only to veteran-owned small businesses designated under section 16C.16 if the council or
82.31 agency determines that at least three veteran-owned small businesses are likely to bid.

82.32 (c) The council and each agency specified in section 473.143, subdivision 1, as a
82.33 condition of awarding a construction contract or approving a contract for consultant,

professional, or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and veteran-owned small businesses designated under section 16C.16. The council or agency must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses and veteran-owned small businesses are not reasonably available. The council or agency may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses and veteran-owned small businesses. At least 75 percent of the value of the subcontracts awarded to small targeted group businesses under this paragraph must be performed by the business to which the subcontract is awarded or by another small targeted group business. At least 75 percent of the value of the subcontracts awarded to veteran-owned small businesses under this paragraph must be performed by the business to which the subcontract is awarded or another veteran-owned small business.

(d) The council and each agency listed in section 473.143, subdivision 1, are encouraged to purchase from small targeted group businesses and veteran-owned small businesses designated under section 16C.16 when making purchases that are not subject to competitive bidding procedures.

(e) The council and each agency may adopt rules to implement this section.

(f) Each council or agency contract must require the prime contractor to pay any subcontractor within ten days of the prime contractor's receipt of payment from the council or agency for undisputed services provided by the subcontractor. The contract must require the prime contractor to pay interest of 1-1/2 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10. For an unpaid balance of less than \$100, the prime contractor shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from a prime contractor must be awarded its costs and disbursements, including attorney fees, incurred in bringing the action.

(g) This section does not apply to procurement financed in whole or in part with federal funds if the procurement is subject to federal disadvantaged, minority, or women business enterprise regulations. The council and each agency shall report to the commissioner of administration on compliance with this section. The information must be reported at the time and in the manner requested by the commissioner.

84.1 **EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to
84.2 procurement contract bid solicitations issued on and after that date.

84.3 Sec. 20. Minnesota Statutes 2008, section 626.8517, is amended to read:

84.4 **626.8517 ELIGIBILITY FOR RECIPROCITY EXAMINATION BASED ON**
84.5 **RELEVANT MILITARY EXPERIENCE.**

84.6 (a) For purposes of this section:

84.7 (1) "active service" has the meaning given in section 190.05, subdivision 5; and

84.8 (2) "relevant military experience" means ~~five years of active duty military police~~
84.9 ~~service.~~

84.10 (i) five years' active service experience in a military law enforcement occupational
84.11 specialty;

84.12 (ii) three years' active service experience in a military law enforcement occupational
84.13 specialty, and completion of a two-year or more degree from a regionally accredited
84.14 postsecondary education institution; or

84.15 (iii) five years' cumulative experience as a full-time peace officer in another state
84.16 combined with active service experience in a military law enforcement occupational
84.17 specialty.

84.18 (b) A person who has relevant military experience and who has been honorably
84.19 discharged from ~~the~~ military active service as evidenced by a form DD-214 is eligible to
84.20 take the reciprocity examination.

84.21 Sec. 21. Laws 2008, chapter 297, article 2, section 26, subdivision 3, is amended to
84.22 read:

84.23 Subd. 3. **Administrative provisions.** (a) The commissioner of veterans affairs, or
84.24 the commissioner's designee, must convene the initial meeting of the working group.
84.25 Upon request of the working group, the commissioner must provide meeting space and
84.26 administrative services for the group. The members of the working group must elect a
84.27 chair or co-chairs from the legislative members of the working group at the initial meeting.
84.28 Each subsequent meeting is at the call of the chair or co-chairs.

84.29 (b) Public members of the working group serve without special compensation or
84.30 special payment of expenses from the working group.

84.31 (c) The working group expires on June 30, ~~2009~~ 2010, unless an extension is
84.32 authorized by law by that date.

84.33 Sec. 22. **REPORTING REQUIRED.**

(a) The commissioner of finance must collect the following data annually from each cabinet-level state agency, with the exception of the Metropolitan Council, and must report those data, by agency, by the second week of each legislative session, beginning in 2011, to the chairs and leading minority members of each of the house of representatives and senate committees having responsibility for veterans policy and finance issues:

(1) the total number of persons employed in full-time positions by the state agency;

(2) the total number of employees identified in clause (1) who are veterans;

(3) the total number of vacant full-time positions in the agency filled by hiring or appointment during the designated fiscal year;

(4) the total number of applications received for the positions identified in clause (3);

(5) the total number of applications identified in clause (4) for which veterans preference was elected by the applicant;

(6) the total number of applications identified in clause (5) for which the veteran applicant was judged by the hiring authority as meeting minimum requirements for the open positions of employment;

(7) the total number of veteran applicants identified in clause (6) who were interviewed by the hiring authority for the open positions of employment in the agency;

(8) the total number of veteran applicants identified in clause (7) who were selected for and offered employment within the open positions of employment in the agency;

(9) the total number of veteran applicants identified in clause (8) who were hired into the open positions of employment in the agency;

(10) the total number of veteran applicants identified in clause (6) who were sent a rejection letter, in accordance with Minnesota Statutes, section 43A.11, subdivision 9; and

(11) any other data or information deemed important by the commissioner of administration and reflecting on the efforts of the subject agency to recruit and hire veterans.

(b) The data must reflect one full fiscal year or one full calendar year, as determined by the commissioner of finance.

(c) The term "veteran" has the meaning given in Minnesota Statutes, section 197.447.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 23. CONSTRUCTION PROJECT PRIORITY LISTING STATUS.

In accordance with completed predesign documents, veterans population surveys, and the 2008 department construction project priority listing, the commissioner of veterans affairs shall continue to plan, develop, and pursue federal funding and other resources for the construction of projects on the listing. In consultation with the Veterans

Affairs Strategic Planning Group and the Veterans Health Care Advisory Council, the commissioner must consider possible options for treatment, including, but not limited to, traumatic brain injury, posttraumatic stress disorder, and psycho-geriatric care. By January 15, 2010, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans homes policy and finance regarding the status of the department construction project priority listing and the activities required under this section. Priority for future Minnesota Department of Veterans Affairs building projects shall be given to proposals for which state money has previously been appropriated.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 24. **VETERANS CEMETERY SITING.**

The commissioner of veterans affairs shall work with veterans groups, local government officials, and community groups, and in consultation with the commissioner of natural resources, to identify suitable locations for a state veterans cemetery in both northeastern and southwestern Minnesota. Redwood County shall be a priority location for a state veterans cemetery in southwestern Minnesota. State land and land donated for cemetery purposes shall be examined first before examining land acquisition opportunities. The commissioner shall provide notice to local units of government to request land donations for this purpose.

Sec. 25. **INTERAGENCY STAFF.**

For fiscal years 2010 and 2011, the Department of Veterans Affairs must not use funds appropriated in this article directly or indirectly to pay for the services of staff in the Office of the Governor.

ARTICLE 4
MILITARY AFFAIRS

Section 1. **MILITARY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

87.1			<u>APPROPRIATIONS</u>	
87.2			<u>Available for the Year</u>	
87.3			<u>Ending June 30</u>	
87.4			<u>2010</u>	<u>2011</u>
87.5	Sec. 2. <u>MILITARY AFFAIRS</u>			
87.6	Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>22,374,000</u>	<u>\$</u> <u>19,374,000</u>
87.7	<u>The amounts that may be spent for each</u>			
87.8	<u>purpose are specified in the following</u>			
87.9	<u>subdivisions.</u>			
87.10	Subd. 2. <u>Maintenance of Training Facilities</u>		<u>6,660,000</u>	<u>6,660,000</u>
87.11	Subd. 3. <u>General Support</u>		<u>2,366,000</u>	<u>2,366,000</u>
87.12	<u>To the extent practicable, the adjutant general</u>			
87.13	<u>may provide transportation assistance to a</u>			
87.14	<u>nonprofit organization to support morale of</u>			
87.15	<u>deployed service personnel.</u>			
87.16	Subd. 4. <u>Enlistment Incentives</u>		<u>13,348,000</u>	<u>10,348,000</u>
87.17	<u>\$3,000,000 the first year is for additional</u>			
87.18	<u>costs of enlistment incentives. This is a</u>			
87.19	<u>onetime appropriation.</u>			
87.20	<u>If appropriations for either year of the</u>			
87.21	<u>biennium are insufficient, the appropriation</u>			
87.22	<u>from the other year is available. The</u>			
87.23	<u>appropriations for enlistment incentives are</u>			
87.24	<u>available until expended.</u>			
87.25	Sec. 3. <u>[190.161] UNCOMPENSATED AND VOLUNTARY SERVICES;</u>			
87.26	<u>EXPENSES.</u>			
87.27	<u>To assist in the discharge of the functions of the department, the adjutant general</u>			
87.28	<u>may accept uncompensated and voluntary services and enter into written agreements with</u>			
87.29	<u>private or public agencies or persons for uncompensated and voluntary services as may</u>			
87.30	<u>be practical. Persons rendering voluntary uncompensated services may be reimbursed</u>			
87.31	<u>for travel expenses incurred in the performance of official duties at the same rate per</u>			
87.32	<u>mile as state employees.</u>			

Sec. 4. **[192.525] POSTDEPLOYMENT HEALTH ASSESSMENTS.**

The adjutant general must establish a program of postdeployment comprehensive health and wellness assessments for members of the National Guard who have been called into active military service and deployed outside the state. There must be at least one health and wellness assessment conducted between approximately six months and not later than one year after the end of a member's deployment. The adjutant general may call on other state agencies, the United States Department of Veterans Affairs, county veteran service officers, and other appropriate resources in administering this program.

Sec. 5. Minnesota Statutes 2008, section 523.131, is amended to read:

523.131 QUALIFICATION OF SUCCESSOR ATTORNEY-IN-FACT IN STATUTORY SHORT FORM POWER OF ATTORNEY.

If two or more attorneys-in-fact are originally appointed and one dies, resigns, or is unable to serve, a successor attorney-in-fact named in a power of attorney executed in conformity with section 523.23 or a form prepared under section 523.231 replaces the attorney-in-fact who dies, resigns, or is unable to serve. If the original attorneys-in-fact were required to act jointly, the attorneys-in-fact acting at any time must act jointly. If the original attorneys-in-fact were allowed to act individually, the attorneys-in-fact acting at any time may act individually. If attorneys-in-fact acting at any time are required to act jointly, and there is only one remaining attorney-in-fact because of the death, resignation, or inability to serve of all other original and successor attorneys-in-fact, the remaining attorney-in-fact may act alone.

Sec. 6. Minnesota Statutes 2008, section 523.16, is amended to read:

523.16 AFFIDAVIT AS PROOF OF AUTHORITY OF ATTORNEY-IN-FACT.

Subdivision 1. Multiple attorneys-in-fact. If the attorney-in-fact exercising a power pursuant to a power of attorney has authority to act as a result of the death, incompetency, or resignation of one or more attorneys-in-fact named in the power of attorney, an affidavit executed by the attorney-in-fact setting forth the conditions precedent to the attorney-in-fact's authority to act under the power of attorney and stating that those conditions have occurred is conclusive proof as to any party relying on the affidavit of the occurrence of those conditions.

Subd. 2. Attorney-in-fact for member of military. If an attorney-in-fact is exercising a power pursuant to a power of attorney executed by a member of the military in a form prepared under section 523.231, an affidavit executed by the attorney-in-fact setting forth the conditions precedent to the authority to act and stating the existence

89.1 of those conditions is conclusive proof as to any party relying on the affidavit of the
89.2 existence of those conditions.

89.3 Sec. 7. Minnesota Statutes 2008, section 523.20, is amended to read:

89.4 **523.20 LIABILITY OF PARTIES REFUSING AUTHORITY OF**
89.5 **ATTORNEY-IN-FACT TO ACT ON PRINCIPAL'S BEHALF.**

89.6 Any party refusing to accept the authority of an attorney-in-fact to exercise a
89.7 power granted by a power of attorney which (1) is executed in conformity with section
89.8 523.23 or a form prepared under section 523.231; (2) contains a specimen signature of
89.9 the attorney-in-fact authorized to act; (3) with regard to the execution or delivery of any
89.10 recordable instrument relating to real property, is accompanied by affidavits that satisfy
89.11 the provisions of section 523.17; (4) with regard to any other transaction, is signed by the
89.12 attorney-in-fact in a manner conforming to section 523.18; and (5) when applicable, is
89.13 accompanied by an affidavit and any other document required by section 523.16, is liable
89.14 to the principal and to the principal's heirs, assigns, and representative of the estate of the
89.15 principal in the same manner as the party would be liable had the party refused to accept
89.16 the authority of the principal to act on the principal's own behalf unless: (1) the party has
89.17 actual notice of the revocation of the power of attorney prior to the exercise of the power;
89.18 (2) the duration of the power of attorney specified in the power of attorney itself has
89.19 expired; or (3) the party has actual knowledge of the death of the principal or, if the power
89.20 of attorney is not a durable power of attorney, actual notice of a judicial determination that
89.21 the principal is legally incompetent. This provision does not negate any liability which a
89.22 party would have to the principal or to the attorney-in-fact under any other form of power
89.23 of attorney under the common law or otherwise.

89.24 Sec. 8. Minnesota Statutes 2008, section 523.23, subdivision 2, is amended to read:

89.25 Subd. 2. **Failure to check or "X" a power.** Any of the powers of the form in
89.26 subdivision 1 or a form prepared under section 523.231 which is not checked or X-ed is
89.27 withheld by the principal from the attorney-in-fact unless the power of (N) of the form
89.28 in subdivision 1 or a comparable provision in a form prepared under section 523.231 is
89.29 checked or X-ed.

89.30 Sec. 9. Minnesota Statutes 2008, section 523.23, subdivision 3, is amended to read:

89.31 Subd. 3. **Requirements.** Except for a form prepared under section 523.231,
89.32 to constitute a "statutory short form power of attorney," as this phrase is used in this
89.33 chapter the wording and content of the form in subdivision 1 must be duplicated exactly

and with no modifications, parts First, Second, and Third must be properly completed, and the signature of the principal must be acknowledged. Failure to name a successor attorney-in-fact, to provide an expiration date, or to complete part Fourth does not invalidate the power as a statutory short form power of attorney. A power of attorney that does not satisfy the requirements of this subdivision or a form prepared under section 523.231, but purports to be a statutory short form power of attorney, may constitute a common law power of attorney that incorporates by reference the definitions of powers contained in section 523.24; however, a party refusing to accept the authority of the common law attorney-in-fact is not liable under section 523.20.

Sec. 10. **[523.231] ALTERNATIVE SHORT FORMS FOR GENERAL POWER OF ATTORNEY FOR MILITARY MEMBERS IN ACTIVE SERVICE.**

The commissioner of military affairs may prepare alternative short forms for a general power of attorney for military members in active service, as defined in section 190.05. A form prepared by the commissioner is an alternative to the statutory short form in section 523.23.

Sec. 11. **INTERAGENCY STAFF.**

For fiscal years 2010 and 2011, the adjutant general must not use funds appropriated in this article directly or indirectly to pay for the services of staff in the Office of the Governor.

APPENDIX
Article locations in H1122-4

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